



Andorra 1,500 Franc
Austria 13.76 Schilling
Australia 2.54 Dollar
Belgium 20.36 Franc
Canada 1.76 Dollar
Denmark 136.48 Kroner
France 6.55 Franc
Germany 1.93 Mark
Greece 166.64 Dracmas
Hong Kong 7.75 Dollar
India 166.58 Rupees
Indonesia 1,500 Rupiah
Italy 1,366 Lira
Japan 166.09 Yen
Korea 1,000 Won
Lithuania 200 Litai
Luxembourg 136.63 Franc
Malaysia 2.52 Dollar
Mexico 16.67 Pesos
New Zealand 1.62 Dollar
Norway 136.48 Kroner
Poland 100 Zloty
Portugal 200 Escudo
Romania 166.64 Lei
Russia 166.64 Rubles
Singapore 7.75 Dollar
Spain 166.64 Pesetas
Sweden 136.48 Kroner
Switzerland 1.93 Franc
Taiwan 166.64 New Dollars
Thailand 166.64 Baht
Turkey 166.64 Liras
U.S.A. 1.00 Dollar
U.K. 1.00 Pound
Yugoslavia 166.64 Dinars

ESTABLISHED 1887

Algeria Hints It May Deny Some Seats to Islamic Party

Violent Reaction Feared As Council Investigates Complaints on Election

By Youssef M. Ibrahim

PARIS — The Algerian government signaled Friday that it may take action to deny Islamic fundamentalists a large number of the 188 seats they won in parliamentary elections last week. Government officials said that investigation of up to 300 complaints about election irregularities could result in the cancellation of many of the 188 seats that the Islamic Salvation Front won in the first round of elections for the 430-member parliament. The election brought the Islamic Front within 28 seats of an absolute majority in the parliament.

Any move to cancel some of these seats could, in the view of many foreign diplomats and Algerian affairs experts, trigger violent reactions among the hundreds of thousands of Islamic fundamentalists.

The Constitutional Council has received official complaints about possible fraud in 145 constituencies. Agence France-Press quoted a council spokesman as saying Friday in Algiers. The council is overseeing the elections and is to decide by the end of next week if any polls were rigged and must be re-held.

The Islamic Front is sure to get an absolute majority in the second round of parliamentary elections set for Jan. 16, and many Algerians and foreign diplomats are convinced that it would have no difficulty in securing 28 seats that would give it the necessary 216 majority in the National People's Assembly.

In fact, most observers of the Algerian political scene say that despite anti-fundamentalist demonstrations on Thursday by at least 200,000 people, Islamic Front candidates were leading in more than 150 electoral districts of the 199 in which winners will be determined in the second round.

Given this advantage, the Islamic Front could win more than two-thirds of the seats in the new parliament, thus securing the majority needed to alter the Algerian constitution, as it has vowed to do, to transform Algeria into a fundamentalist Islamic state. A simple majority would not allow the Front to alter the constitution, although it would allow for the introduction of vast measures of Islamization to overturn the secularist character of the Algerian nation of 26 million.

President Chadli Bendjedid, a former general and the constitutional chief of state until the end of his term in December 1993, has vowed that he will not allow a change in the constitution, but he has also repeatedly said that he will not interrupt the electoral exercise.

The Algerian Army, which selected the president more than a decade ago, is thought to strongly disapprove of the Islamic Front, known in Algeria by the French initials FIS, but it also profoundly dislikes the defeated National Liberation Front, which led Algeria into economic and political chaos after 30 years of single-party rule.

The government's maneuver to overturn the fundamentalist tide has drawn warnings from several quarters, including a nervous French establishment, which sees dire consequences in

See ALGERIA, Page 4



FLIGHT FROM GUNFIRE — Pro-government demonstrators in Tbilisi, Georgia, fleeing Friday as masked men threw smoke bombs and shot into crowds. Page 4.

A (Permanent) Power Play on UN Security Council

By Paul Lewis

UNITED NATIONS, New York — By allowing Russia to take over the Soviet Union's permanent Security Council seat last week, the three Western powers believe that they have postponed action for several years on demands by Germany, Japan and several large Third World countries for permanent membership on the council.

Diplomats now say a consensus is forming that the United Nations should not give serious consideration to reviewing the privileged position of the five World War II victors, who hold permanent Security Council seats and a veto over its decisions, before the mid-1990s.

Britain, which was given the permanent seat in 1945 along with the United States, France,

China and the Soviet Union, now wants the Security Council to confirm Russia's enhanced position by holding its first-ever summit meeting this month at the level of heads of state or government.

Britain has told other permanent members that such a council summit conference, coming just as Boutros Boutros Ghali takes up his duties as the new secretary general, would underscore Russia's commitment to working through the United Nations for peace, nuclear nonproliferation and disarmament, officials say.

The Bush administration appears to be supporting the call for a summit, which would be presided over by Prime Minister John Major since Britain holds the council's presidency in January. U.S. officials said Thursday. But the attitude of France and China is unclear.

The collapse of the Soviet Union was a logical moment to reopen the U.N. founding charter and review the Security Council's composition, many nations contend.

But as the Soviet Union disintegrated, the United States, with the support of Britain, France and China, moved swiftly, without public debate or any attempt to reopen the charter, to ensure that its seat went to Russia.

The United States and its allies were able to get their way because through their vetoes they have control over all decisions of the Security Council, which must approve its own membership as well as any changes in the U.N. Charter.

Germany and Japan both say they deserve a permanent council seat as economic powers that are paying a rising share of U.N. bills. Since most strife occurs in the developing

world, leading Third World nations argue, the council would be a more effective peacemaker if they had permanent representation on it.

Nevertheless, the present permanent members appear confident that they can hold the line against change until the middle of the decade, largely because Germany and Japan, the two strongest candidates for new seats, have softened their demands.

Japan's appetite for a permanent seat was appeased somewhat by its election to the council this year for a two-year term as a rotating member.

Bonn softened its campaign for a permanent seat when the two Germans reunited because it feared that such a demand, coming immediately after reunification, might alarm its neighbors.

East Asians Will Press Bush to Ease Trade Demands

By Michael Richardson

SINGAPORE — East Asian nations, fearing a breakdown in the regional balance of power, will urge President George Bush to moderate his demands for trade liberalization by Japan and other countries in the area, officials and analysts said Friday.

Asian officials cautioned that excessive U.S. pressure for trade restructuring by East Asian nations could inflame anti-American sentiment and erode Washington's security ties with ma-

ior countries in the region, particularly Japan and South Korea.

Mr. Bush, who has said repeatedly in recent days that East Asia must make concessions on

Many business leaders accompanying Bush hope to drum up business in Japan. Page 7

trade to help revive the U.S. economy, will hold formal talks with Singaporean leaders on Saturday before flying to South Korea and Japan. He arrived in Singapore on Friday from Australia.

Japan's trade surplus with the United States for 1991 was around \$41 billion. Although South Korea had a trade deficit with the United States of \$730 million in the first 11 months of 1991, American officials assert that the refusal of both Japan and South Korea to open their rice markets to imports is contributing to a deadlock in the Uruguay Round of global free trade negotiations.

J.N. Mak, the senior defense analyst at the Institute of Strategic and International Studies in Kuala Lumpur, said, "If Bush pushes too hard on the economic front, it may well make it

more difficult for the United States to sustain its balancing military presence in the Western Pacific."

After the Philippine government last week served notice that the United States must leave the Subic Bay Naval Station by the end of 1992, American forces in the Far East will depend primarily on bases in Japan and South Korea. Washington had been seeking a three-year phaseout period for Subic, which services the U.S. 7th Fleet and plays a major role in project-

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A boy peering out from among the crowd of about 30,000 Islamic faithful during prayers Friday at Bab el Oued mosque in Algiers.

Palestinian Expulsions: New Snag for Peace Talks

By Jackson Diehl

JERUSALEM — The Palestinian delegation to the Arab-Israeli peace talks announced on Friday that it was suspending its departure for a scheduled session in Washington next week because of Israel's decision to expel 12 Palestinian activists from the occupied territories.

Following a meeting Friday morning, Palestinian leaders here said that they would await a decision by the Palestine Liberation Organization about whether to travel to Washington. The delegates were to have left Friday morning for Amman for consultations with Jordanian delegates en route to the talks.

Local Palestinian activists, including a delegation spokeswoman, Hanan Ashrawi, indicated that it was unlikely that the Palestinians would withdraw from the two-month-old peace process or boycott the Washington talks. But their official statement said that they expected the United States, as sponsor of the negotiations, to intervene and force Israel to "nullify this grave breach of international law."

[The United States on Friday criticized Israel over the expulsions. Agence France-Press reported from Washington.

[The United States strongly condemns the Israeli government decision," said Richard A. Boucher, a State Department spokesman. "We

have urged Israel at the highest levels to reconsider and rescind its decision."]

The expulsion decision "is a continuation of Israel's destructive policy designed to torpedo the peace process," said the Palestinian statement, which was drawn up by a group including the local Palestinian leader Faisal Hussein, Mrs. Ashrawi and another delegation member, Sari Nusseibeh. It added, "The credibility of the cosponsor and host of the current round of bilateral negotiations, the United States, is gravely undermined unless immediate and effective action is taken."

The Israeli Defense Ministry on Friday provided details about 12 Palestinians from the West Bank and Gaza Strip who were arrested and ordered deported on Thursday in the largest such action in three years. The government of Prime Minister Yitzhak Shamir decided on the move following the slaying Wednesday of a Jewish settler in Gaza, apparently in an Arab ambush.

Israeli officials said six of the 12 were members of the PLO-affiliated Popular Front for the Liberation of Palestine, a leftist faction connected to previous shooting incidents in which three other Jewish settlers were killed in the last two months. Others of those arrested belong to the mainstream Fatah faction of the PLO chairman, Yasser Arafat, as well as the smaller

See ISRAEL, Page 4

U.S., in Shift, Wants to Give 6 Republics Full IMF Role

States Would Gain Use Of Billions of Dollars In Development Loans

By Barbara Crossette

WASHINGTON — The Bush administration, moving quickly to assist the economic transformation of Russia and five other former Soviet republics, urged Friday that they be admitted to full membership in the International Monetary Fund and World Bank.

For about six months before its collapse at the end of the year, the Soviet Union had been eligible only for a specially created associate membership in the two international financial institutions, allowing Moscow to receive advice but not loans.

The administration had opposed opening the Fund and Bank to the Soviet Union, which under Mikhail S. Gorbachev had expressed interest in joining the organizations more than two years ago. Mr. Gorbachev formally requested membership at a summit meeting of industrial nations in July. When the Bank and Fund were first established in 1945, Moscow had spurned membership.

Full membership for Russia, Ukraine, Kazakhstan, Belarus, Kyrgyzstan and Armenia — the former republics with which the United States is establishing diplomatic relations — will allow them access to billions of dollars in development loans to help make the unsettling transition from a centralized to a free-market economy.

This supportive move by the Bush administration proceeds by a few weeks the assembling

Following Russia's lead, other republics begin to raise prices. Page 4.

of a large international conference in Washington to discuss aid to the newly independent nations joined in a Commonwealth of Independent States. Dates for that conference are not final, the State Department said Friday, but it is likely to take place around Jan. 22, financial experts say.

The former republics began this week to free prices from state control and take other steps to open their economies to market forces, causing considerable hardship to citizens. Behind the disruptive changes looms the threat of unrest this winter.

The dramatic developments in the former Soviet Union have created new opportunities and challenges for international financial cooperation. Treasury Secretary Nicholas F. Brady said Friday in a statement announcing the American policy change. United States backing virtually assures that the former republics will be admitted to the two institutions, to which 156 nations belong.

"Membership in the IMF and World Bank will further market-oriented economic reform in these newly independent nations," Mr. Brady said. "We will work with them to assure that their applications are considered as quickly as possible."

Mr. Brady also said that the United States was prepared to support membership for the other former Soviet republics that Washington recognizes but with which it has not yet decided to establish full diplomatic relations. These republics are Azerbaijan, Turkmenistan, Uzbekistan, Tajikistan, Georgia and Moldova. The United States is awaiting assurances from those republics on their political and economic development, including the protection of democratic rights.

A spokesman for the IMF said Friday that the length of time it takes for a country to become a functioning member of the institution varies greatly. Czechoslovakia completed the process in about eight months; Poland took four years. Apart from submitting a formal application for membership, the republics would have to enact enabling legislation to join

See IMF, Page 4

Flicker of Hope As Latest Truce Calms Croatia

By Chuck Sudetic

BELGRADE — After six months of escalating warfare and a night and day of intense clashes, fighting between Serbs and Croats appeared to wane on Croatia's battlefields Friday night as a truce that could precede deployment of United Nations peacekeeping forces took effect.

It is far too early to call the cease-fire successful. But reports that guns fell silent in Vinkovci, Sibenik and other Croatian hot spots has sent hopes soaring in Yugoslavia that open Serb-Croat hostilities are near an end and that UN peacekeeping forces may soon arrive to guarantee that a new violence does not erupt.

"The shelling stopped at 5 minutes to 6," a desk officer at the crisis center in the front-line town of Vinkovci told a Reuters reporter. "But you can't talk about a cease-fire succeeding just because there's no shooting in the first 20 minutes."

In Croatia's backed-out capital, Zagreb, anti-aircraft fire and the thud of distant explosions ended just before the deadline. Ten minutes later sirens sounded an all-clear to a general alert. Similar reports arrived from Sisak, Zadar and other Croatian towns. But scattered explosions were noted in Osijek, and unconfirmed Belgrade radio and Yugoslav news agency reports spoke of Croatian attacks near Okucani and Novska after the deadline had passed.

In talks on Thursday mediated by the UN

See CLASHES, Page 4

Kiosk

Dow Industrials Surge Past 3,200

Wall Street stocks powered ever higher Friday, with the Dow Jones industrials breaking the 3,200 level for the first time, as hope for U.S. economic recovery continued to hearten investors. The blue-chip gauge has gained about 10 percent since the interest-rate cuts on Dec. 20 that triggered the rally. Page 7.

General News

Following years of repression, Buddhism has made a comeback in Cambodia. Page 2.

Monday

The high-flying U.S. stock markets of 1991 will be reviewed in charts, tables and articles that also look ahead.

| Dow Close | The Dollar in New York |
|-----------|------------------------|
| Up 29.07 | DM 1.543 |
| 3,207.43 | Yen 124.66 |
| | FF 5.2675 |

Crossword Page 5.

Breast Cancer: Wonders of Post-Op Treatment

By David Brown

WASHINGTON — Chemotherapy and hormone treatments commonly given after surgery to women with breast cancer are much more effective in prolonging life than had previously been believed, a new study has found.

The benefit of these treatments, in fact, increases yearly during the first decade after breast cancer is discovered and persists long after most women have stopped taking the drugs, according to research published Friday in *The Lancet*, a British medical journal.

Whereas recurrences of most types of cancer appear in the first five years after surgery, breast cancers can recur decades after an apparently successful treatment.

For that reason, researchers are hesitant to set a time at which a woman can be declared "cured."

Nevertheless, the new findings show that the benefits of hormone or chemotherapy in breast cancer are more noticeable 10 years after surgery than five years after. The findings have prompted some experts at least to raise the possibility that the drugs may have permanent effects.

Martin D. Abeloff, clinical director of the oncology center at Johns Hopkins Hospital in Baltimore, said: "When you begin to get out to 10 years of follow-up, we are really now in a position where we can begin to talk about curing patients."

The new findings offset generally gloomy observations about breast cancer. The General Accounting Office last month presented Congress a review of breast

cancer research over the last two decades. Incidence of breast cancer is rising in the United States and in much of the industrialized world. It is estimated that 175,000 new cases will be diagnosed in the United States this year, and some researchers predict that one out of every nine American women will develop the disease during her lifetime. Although treatments are now more effective, this has not offset the rising incidence of the disease, the report concluded.

The *Lancet* study shows, however, that the usefulness of new therapies in providing most women with years of productive life after a diagnosis is greater than previously realized.

William C. Wood, chairman of surgery at Emory

See CANCER, Page 3

Japan Has an Idea For U.S. Recovery

Cure Yourself First, an Aide Says, Playing Down Talk of Easier Trade

Compiled by Our Staff From Dispatches
TOKYO — With Japan's trade practices under fire from President George Bush before his visit here next week, a government official on Friday played down links between U.S. unemployment and the U.S.-Japan trade imbalance.

The official, asked about Mr. Bush's comment in Australia that he wants "more jobs created in the United States" through Japanese concessions, said the United States needed to do much more itself to ease the U.S. recession.

"We have strong doubts about a simple equation between U.S. unemployment and market access to Japan," said the official, who spoke on condition of anonymity.

'There are many more efforts that the American side should make on the domestic front.'
A Tokyo official

There are many more efforts that the American side should make on the domestic front in terms of reduction of the budget deficit, more competitiveness, education standards and all sorts of long-term structural issues," he said.

"These are the most important key issues for American economic problems," he said, "and the president knows that."

Japan is ready, however, to do whatever it can to help bolster the U.S. economy, the Foreign Ministry official said.

Mr. Bush, currently visiting Singapore after a three-day swing

through Australia, is to arrive in Japan on Tuesday for a meeting with Prime Minister Kiichi Miyazawa.

Japan and the United States have engaged in a tug of war over the focus of the meeting that reflects the tensions tearing at their postwar alliance.

Mr. Bush has made it clear in speeches over the past week that he expects the focus of the talks to be trade. He wants market-opening concessions from Japan to reduce last year's \$41 billion surplus with the United States.

Japan is reviewing possible steps to take in response to U.S. demands to cut Tokyo's surplus in automobiles and auto parts, breathe fresh life into talks to change structural barriers in both the U.S. and Japanese economy to trade and investment, and assure the success of the Uruguay round of world trade talks, the official said.

But the Japanese official said trade was only one of the issues on the table. The meeting's first purpose, he said, is "to demonstrate to the rest of the world that the United States and Japan can jointly face up to challenges."

A particular sore point for the Japanese was Mr. Bush's decision to bring along 18 U.S. business leaders, including the chairman of the "Big Three" auto companies, who will underline the president's concern for the U.S. economy.

The briefing official, asked whether the businessmen would play any part in the talks, replied, "No, they're extracurricular."

Nonetheless, Mr. Miyazawa and other senior Japanese officials have promised concessions on trade, particularly in the auto sector, which accounts for three-quarters of the bilateral deficit.

(AP, Reuters)



Australian policemen grappling Friday with some anti-Bush demonstrators outside the World Congress Center in Melbourne.

Australian Police Charge Anti-Bush Protesters

Compiled by Our Staff From Dispatches
MELBOURNE — Australian mounted police on Friday charged into a crowd of about 500 demonstrators who were protesting against the visit here of President George Bush.

Four protesters were arrested, and at least four policemen suffered injuries, a police spokesman said.

The demonstrators included unionists, abortionists and people opposed to U.S. policies on AIDS and to the U.S. military presence in South Korea and South Africa.

The police charged into the protesters, who carried banners saying "Smell Bush's New World Order" and shouting "Yanks Go Home" outside Melbourne's World Congress Center, where Mr. Bush was meeting businessmen.

Scores of policemen on horseback battled with the protesters and forced them behind barricades to keep them away from the entrance.

Policemen made arrests and running fights broke out in the streets along the route Mr. Bush's motorcade was following on his arrival at the airport for a four-hour visit before he left for Singapore.

The police were unable to say immediately how many protesters had been arrested.

To the rhythm of a drummer, the demonstrators chanted: "Bush has got to go, hey, hey, ho, ho."

Outside the center, in contrast, a group of about 100 Bush well-wishers stood peacefully. Mr. Bush entered the center through a side

entrance and held talks with Australian and U.S. businessmen.

The demonstration was organized by a group known as the Coalition Against the Bush Visit, a diverse movement representing various anti-U.S. causes.

They included members of the International Socialists, the AIDS activist group Act Up, the Campaign Against Militarism, the Friends of the Earth and student unions.

They said they opposed U.S. intervention around the world, U.S. involvement in the Gulf war and continuing sanctions against Iraq, which they said were starving Iraqi children.

Although no farmers were thought to be among the demonstrators, some banners recognized their complaint: "U.S. Grain Is Our Pain." (Reuters, AFP)

2 Baby Booms in One: The Younger Loses Out To the 'Leading Edge'

By Felicity Barringer
New York Times Service

WASHINGTON — The baby boom, the outsized generation whose attitudes and angst have been fodder for demographers, advertisers and scriptwriters since the early 1960s, is really made up of two disparate minigenerations equal in size but not in opportunity, with the younger less well-off and more politically alienated than the older group.

This conclusion is reached in a new report "The Baby Boom — Entering Midlife" by two demographic researchers, Leon F. Bouvier and Carol J. DeVita. It is based on data showing that by several economic measures, including home ownership, the "trailing edge" of the baby boom, or those born in the years 1955 through 1964, is not likely to achieve the same standard of living as the "leading edge" baby boomers born in the years 1946 through 1954.

"It is the trailing edge that is likely to find a tougher go of it," Ms. DeVita, a researcher with the Population Reference Bureau, which published the report, said in an interview. "It is the trailing edge that is likely to have more difficulty doing better than the generation that preceded it."

"Take home ownership," she said. "The leading edge of the baby boomers who were able to get into the housing market fared pretty well. When the trailing edge came along, they were confronted with higher prices and it was tougher for them to get a foot in the door."

In 1976, when the bulk of older baby boomers were in their mid- or late 20s, 43 percent of all people 25 to 29 owned homes, according to data compiled by the Federal Census Bureau's Annual Housing Survey and Current Population Survey. In 1987, when the youngest baby boomers were in their mid- or late 20s the proportion of 25- to 29-year-olds who owned homes had dropped to 36 percent.

The researchers were not able to compare the two groups' household income at similar ages, but Ms. DeVita said other data indicated that the younger baby boomers, as a group, earned somewhat less in constant dollars than the older baby boomers did at the same age.

Politically, the report said, the younger group is more alienated from established institutions. "Older baby boomers cut their political teeth during a time of government activism and optimism; younger baby boomers entered politics during a time of government retrenchment and public cynicism and apathy," the report noted.

"Leading-edge baby boomers at every age have been more likely to vote than the younger, trailing-edge boomers."

In 1972, for instance, 50 percent of those 18 to 24 voted; in 1980, only 40 percent of this group voted.

Some patterns, however, hold constant for both groups. For example, there is the failure, thus far, of both groups to save money at the same rate earlier generations did. This trend, combined with baby boomers' tendency to delay marriage and children, is likely to cause some financial headaches as the group nears retirement.

The looming question on the horizon is whether the Social Security system will be able to absorb the shock of the baby boomers' retirement. By the year 2030, when the youngest baby boomers will reach age 65, one in five Americans will be over 65 and there will be three workers contributing to Social Security for every one retired person, drawing benefits. That ratio is currently five to one.

"At least for now, long-range forecasts by Social Security actuaries show the system is financially sound and currently accumulating a large surplus of funds that is intended to finance the baby-boom generation's retirement," the report said. "But federal budget deficits and rising health-care costs pose significant threats to maintaining the program on its current course

Democrats Propose Increasing Deficit

Compiled by Our Staff From Dispatches
WASHINGTON — Leading Democratic senators opened the new session of the U.S. Congress on Friday by calling for a \$55 billion increase in the federal deficit to fight the recession.

Although the plan would mean a suspension of the 1990 budget agreement that placed caps on some deficit spending, Senator James Sasser, a Tennessee Democrat, and the chairman of the Senate Budget Committee, said at a news conference that such a move was necessary.

"We have a circumstance that's unique since the Great Depression," said Mr. Sasser, one of the architects of the agreement.

He said the current U.S. recession was the longest downturn since the 1930s.

The Bush administration, meanwhile, is considering a tax credit of up to \$2,000 for first-time middle-income home buyers as it studies proposals for reviving the economy, administration and industry sources said. The credit, modeled on a similar tax break in the mid-1970s, would stay on the books for only six months to a year and would be designed to provide an immediate stimulus to the economy and the stalled home building industry.

President George Bush said in an interview taped on Dec. 23 for broadcast on Friday that there may be room for some maneuvering within the 1990 budget cap. He said the government could "juggle around" some of the money, but he opposed eliminating "controls on controllable federal spending." (Reuters, AP)

Old Terrorists' Fate Haunts Germany

By Steve Vogel
Washington Post Service

BONN — The possibility that some members of the notorious Red Army Faction will be released early from prison sparked a fierce debate here this week, with critics charging that the country was going soft on terrorism.

"Why freedom for terrorists?" the lead story Friday in the respected daily Die Welt was headlined. The former head of Bonn's counter-intelligence service warned against freeing the leftist guerrillas. Commentators complained that terrorists were receiving special consideration and that their release would make, as one said, "a mockery of their victims."

But supporters argue that releasing members of the old generation of terrorists is a way to curb the new Red Army Faction, which has re-emerged in the past two years with several high-profile, deadly attacks.

The issue surfaced after Stern magazine reported this week that German courts were considering the release of at least seven Red Army Faction guerrillas.

The Ministry of Justice insists that the cases are being reviewed only because German law, which does not permit the death penalty, requires life sentences to be reviewed after 15 years.

"Possibly the terrorists will lose motivation, but that is not the reason for it," said Matthias Weckerling, a spokesman for the ministry. "It will be up to the courts to make a decision."

But some top officials have acknowledged privately that the release of the terrorists would be seen as a signal to the Red Army Faction to cease its attacks. By showing that the government will treat the guerrillas the same way it does other prisoners, the theory goes, the release would give the Red Army Faction less reason to continue.

There are 36 Red Army Faction prisoners being held in 18 German prisons. Those being considered for early release were active during the 1970s, when the group, then also known as the Baader-Meinhof Gang, was in its heyday, launching murders, bombings and kidnappings that left West Germany reeling.

Among those being mentioned for parole are Bernhard Rössner, 45, who is serving two life sentences for his participation in a 1975 attack on the West German Embassy in Stockholm, and Günter Sonnenberg, 37, who was given two life sentences in 1978 for the attempted murder of two police officers. Mr. Sonnenberg was shot in the head during his arrest and remains in poor condition.

Also being considered for release is one of the most notorious of the terrorists, Ingrid Möller, 44, who was sentenced to life for her participation in two attacks in 1972, including a car bombing at U.S. Army Europe headquarters in Heidelberg in which three people died and six were severely wounded.

After years of dormancy, the terrorist group burst back on the scene soon after the fall of the Berlin Wall, declaring war on German reunification. In late 1989, the organization used a sophisticated bomb to blow up a top banker who was a close confidant of Chancellor Helmut Kohl. Last year, the Red Army Faction claimed responsibility for assassinating the head of the government agency overseeing the privatizing of formerly Communist-owned businesses.

With those attacks still fresh in many German minds, discussion about releasing the men for the current crop of terrorists has struck a nerve.

The debate is causing some strain among Mr. Kohl's governing center-right coalition. The Justice minister, Klaus Kinkel, is a Free Democrat, part of the coalition, and members of his party have been prominent in supporting release of the prisoners.

But members of the more conservative Christian Democrats, Mr. Kohl's party, have been vociferous in their opposition.

CANCER: Drugs After Surgery

(Continued from page 1)

University in Atlanta and a breast cancer expert who is familiar with the data, said:

"Since the average woman gets breast cancer in midlife, benefits that go past 10 years are not small things. To have a benefit that goes beyond 10 years is really very exciting."

Surgery is still the first step in breast cancer treatment, and it is often complemented by radiation therapy, in which high-dose X-rays are beamed at the tissue where cancer was found.

The treatments analyzed in The Lancet are those that supplement surgery.

One is chemotherapy, in which cell-killing drugs are given periodically, usually by injection, for several months to a year.

The other is so-called hormone treatment, in which oral drugs that block the action of the female hormone estrogen are given for a longer period — often two years or more — after surgery.

Estrogen stimulates the growth of both normal and cancerous breast tissue.

The Lancet analysis considered only trials involving women whose cancer was limited to the breast or to the breast and local lymph nodes. Women whose cancer had spread to other organs, or to bones were not included.

The study analyzed the results of 133 clinical trials performed in dozens of countries between the early 1950s and 1985.

In those trials, women had been randomly assigned to surgery alone or to surgery supplemented by various combinations of hormone therapy and chemotherapy.

Researchers at Oxford University pooled the data from similar trials to get a more accurate look at treatment effects than they could obtain by examining any single trial.

This technique, known as "meta-analysis," is increasingly used in medicine as a way to study disease, which have variable death rates and long duration, exactly the case with breast cancer.



TEXAS FLOODWATERS — A prison guard and an inmate struggling with a sandbag as they worked to keep floodwaters out of a prison unit near Rosharon. Consistently heavy rainfall over the last two weeks has raised river levels throughout southeast Texas.

Cristiani Confounds Critics as El Salvador Signs Peace Pact

By Lee Hockstader
Washington Post Service

NEW YORK — When Alfredo Cristiani, an American-educated member of a wealthy family, was running for president of El Salvador three years ago, his opponents derided him as a puppet for violent far-right extremists.

But with the landmark peace accord to end a 12-year civil war, signed virtually at the stroke of the New Year at the United Nations, Mr. Cristiani has confounded his critics. Rather than a tool of the sometimes murderous right, he has shown himself through 20 months of negotiations as an unflappable moderate who has led his country toward peace despite the barbs of extremists on both sides.

More than just a peace settlement, the various accords signed by the Cristiani government and the guerrillas during the course of the talks amount to a broad commitment for a society marked by stronger respect for human rights, strengthened

NEWS ANALYSIS

civilian institutions and a stripped-down role for the armed forces.

Diplomats and guerrilla leaders involved in the marathon talks leading to the peace accord said that it was Mr. Cristiani's decision to come to the United Nations, first for a broad political agreement in September and again this week for the final stages of bargaining, that set the stage for the breakthrough.

On both occasions, his decision was criticized by the arch-conservatives for whom

he was supposedly a front. The accord signed at the United Nations by negotiators for the government and the rebel Farabundo Martí National Liberation Front sets out a rough timetable for a definitive peace. Some details remain to be worked out in talks starting this week, and a formal signing ceremony has been set for Jan. 16 in Mexico City, followed by a cease-fire on Feb. 1.

By Oct. 31, the 6,000 guerrillas are to be disarmed, demobilized and, in the lexicon favored by their leaders, "reconverted" to civilian life.

During the civil war, about 75,000 Salvadorans lost their lives and more than a million were made refugees.

Throughout the negotiations, Mr. Cristiani's leadership seemed to keep the talks on course.

Mr. Cristiani, 44, who was graduated with a degree in business administration from Georgetown University, was an executive in his family's pharmaceutical, cotton and coffee business and a leader of the private sector before he entered politics in 1985. Until then, if his name was known at all around the country, it was mostly because of his sporting success as a motorcycle racer and squash champion.

Calm, modest, slow to anger, he was selected head of the Nationalist Republican Alliance, known by its Spanish-language acronym, ARENA.

ARENA until then was known to the outside world chiefly as the party of Roberto d'Aubuisson, the reputed organizer of paramilitary, far-right death squads. When Mr. Cristiani was nominated as the

ARENA candidate for president in 1989, he campaigned in frequent joint appearances with Mr. d'Aubuisson. Critics charged that Mr. Cristiani was nothing more than an ARENA ploy to satisfy the United States, which had deemed Mr. d'Aubuisson an unacceptable presidential candidate because of his alleged death squad activity.

Once in office, however, Mr. Cristiani struck a nonpartisan note, working for consensus within his party and taking a firm but rarely antagonistic posture toward the guerrillas.

It was characteristic that in his press conference early Wednesday, Mr. Cristiani made a gracious gesture to the guerrillas, saluting them for what he called their "courage" in the negotiations.

For One Democrat, a Big Financial Edge

Compiled by Our Staff From Dispatches
WASHINGTON — Governor Bill Clinton of Arkansas has claimed \$831,000 in federal funds to match money he raised in December — nearly as much as the total of his five main rivals — in the latest indication of his campaign's ability to build on a surge of good publicity over the last six weeks.

With the campaign for the Democratic nomination about to enter the cash-intensive period of heavy television advertising leading up to the first primaries — in New Hampshire Feb. 18 and in more than half the states in March — the matching funds filings are the latest information on how the candidates are faring.

And judging by those numbers, Mr. Clinton appears to have a financial edge over his rivals.

He has raised \$3.3 million to date and has spent roughly \$1.6 million, according to his campaign. With an expected \$1.4 million in federal matching funds, Mr. Clinton already can bank on having about \$3.1 million to spend before New Hampshire votes.

The matching funds come from the one-dollar checkoff on individual income tax returns and match contributions from individuals up to \$250.

By contrast, Senator Bob Kerrey of Nebraska has raised \$1.8 million and has spent nearly \$1.3 million so far, according to a spokesman, Steven Jardine. With \$839,000 in matching funds requested, including \$259,000 Thursday, Senator Kerrey so far would have less than half as much money available as Mr. Clinton.

The rest of the Democratic field raised considerably less money. Former Governor Edmund G. (Jerry) Brown Jr., who has made his refusal to take contributions of more than \$100 the centerpiece of his campaign, submitted a claim for \$175,000 in matching funds. Mr. Brown has requested a total of \$462,000 in matching funds so far, which should be roughly equal to his entire campaign treasury since all his contributions should be eligible for federal matching funds.

Paul E. Tsongas, a former Massachusetts senator, requested \$105,000 in federal matching funds, bringing his total to \$591,000. And Governor L. Douglas Wilder of Virginia requested

\$94,000 in federal funds, bringing his total to \$297,000.

In the Republican campaign, Republican state officials continued trying to keep David Duke out of Republican presidential primaries, with party leaders in Florida saying that they had asked election officials not to list the former Ku Klux Klan leader on the state's March primary ballot.

Mr. Duke has been barred from the ballot in Massachusetts and moves have been made against him in Michigan, Maryland, Georgia and Rhode Island.

Patrick J. Buchanan, the conservative commentator who is also challenging President George Bush's renomination, was certified for the ballot in Florida, which could be fertile ground for challenges to Mr. Bush from the right.

The continuing attacks on Mr. Duke's candidacy by Republican officials, along with what appear to be financial troubles in the Duke organization, seem to be hurting his efforts to mount a serious challenge for the Republican nomination.

Just before Christmas, Mr. Duke's campaign said he was withdrawing from Maryland's March 5 primary. Mr. Duke, who announced that he would challenge Mr. Bush after losing the Louisiana governor's race in November, had said he would bypass the New Hampshire primary and use Maryland as his starting point. But leaders of his campaign said it did not have the resources to mount a full-scale effort there and would concentrate on Georgia.

(L.A.T. WP)

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Facelift For Giants

By James Sterngold New York Times Service

NARA, Japan — The sculpture's exposed back, with its ancient cypress timbers, iron clamps and posts, looks at first glance like a building in itself.



One of the 28-foot-tall statues being restored at Nara.

The project is being opened for the first time to a tightly restricted number of outsiders. While in the West important conservation projects, like the cleaning of the Sistine Chapel ceiling, have included an element of public scrutiny and debate, in Japan they have traditionally been done behind closed doors.

even though it is just two-thirds of its original size. The Great South Gate and the Nio were erected after parts of the temple were destroyed by warping clams in the late 12th century.

Mozart Seen by Paris, and Vice Versa

By David Stevens International Herald Tribune

PARIS—As a kind of light dessert to end a glutinous Mozart bicentennial year, the Musée Carnavalet has installed an exhibition that succeeds precisely by not trying to swallow the subject whole.

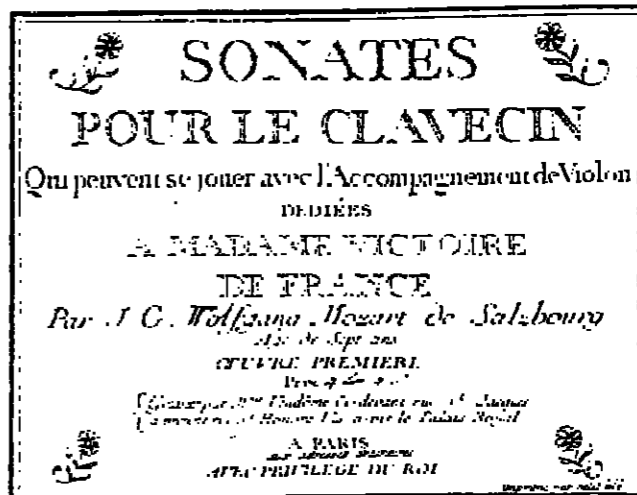


"Mozart in Paris" (to Feb. 16) begins with a mini-exhibition on the rigors of travel in the 18th century, with models of the long-range diligences and other vehicles of the epoch, emphasizing that Mozart spent about a third of his life on the road, often composing as he went.

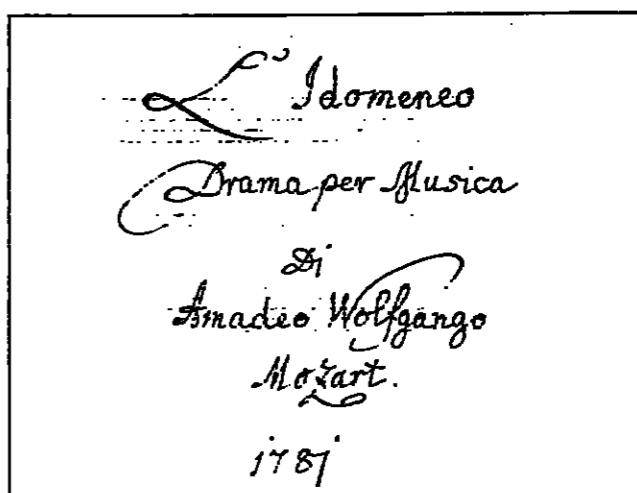
FROM the first trip is the familiar Carmontelle family portrait of 7-year-old Wolfgang at the keyboard, feet dangling a foot from the floor, and Leopold standing behind, fiddle under the chin.

letters to friends in Salzburg. When Wolfgang returned in 1778, Leopold kept up a steady stream of bemoaning advice to which Wolfgang replied as best he could.

paid 1,200 livres, far more than any of the similar payments recorded on the same page. Wolfgang clearly was already a star who had to escape Leopold's notice or notebooks, and his judgments on musicians of less than first class could be harsh.



One of the Carmontelle portraits of the Mozart family, left, and two of the documents in the Paris exhibition.



like a beginner, except by musical people, who think otherwise." (Wolfgang, July 31, 1778)

H. C. Robbins Landon. A section on "Idomeneo," the first opera of Mozart's maturity, links it to the influence of Gluck's Paris operas.



The Swinging Art of Stuart Davis

By Paul Richard Washington Post Service

NEW YORK — He brought jazz to modern painting and led the way to Pop Art, and caught the United States' glare and beat as no one had before.

Whitney Biennial, he showed a canvas whose left edge bore a doctrine of Duke Ellington's: "It don't mean a thing, if it ain't got that swing."

The gifted students he encountered there — George Bellows, Edward Hopper and Rockwell Kent among them — were poor, and proud to be so, leftist in their politics, anarchic and tough.

"Visa," done by Davis in 1951, is part of a jazzy tapping retrospective of his work in New York.

- ACROSS 1 Conger catcher 6 Honey of a drink? 10 Helen Mirren film: 1984 13 Actor Tamiroff 17 Shoot from ambush 18 Vince to Gomer 19 Making indescend 22 Bracing 23 Arboreal knots 24 Marksman 25 Grant advance 26 Oodles 28 Thundering 30 Shem's father, in Lourdes 31 "The Broken Jug" playwright 34 Protruding rock 37 Conditionsituation 42 Degree type 43 Magical conveyance 45 Quay 46 Actor Eisenberg 47 "The Morning Watch" author 48 Perspire 49 Fizzwater

Stick-to-it-iveness By Jim Page

A crossword puzzle grid with numbers in the corners of the starting squares. The grid is partially filled with letters.

© New York Times, edited by Eugene Malachuk.

A solution to a crossword puzzle from December 28-29, 1991. The grid is filled with letters corresponding to the clues.

- 26 Put to flight 27 Proboscis monkeys 32 Bargains 33 Ancient Athenian freeman 34 Prospect 35 Hoopster 36 Trailing 38 Rorschach, for one 15 Bookers' group 39 Bacchanal cry 40 Adult doodlebugs 41 High 44 Zeta follower 47 Viperous 54 Pint quart 55 Fond du 56 Some Ghanaians 58 Expertise 60 Born 62 P.O.W. camp of W.W.II 64 Lifetime 67 See red? 68 Doctors' org. 69 Seafood? 70 She was Edna Garrett 71 Earhart 72 Veganova 76 Syrian President 77 Tyros river 78 Bopp, e.g. 79 Clipped 81 Dull 82 Soft breeze 83 Suffix for simple 87 A neighbor of Norms 111 Cleft 112 Caffeine source 113 Book 114 Crier's ntwk. 115 Weed killer 116 A spermoid 119 Amour-propre 99 Hearth tools 100 Counties in Fla. and Ga. 103 Walk-on? 106 They wrote in runes 108 Dresden duck 110 "Nearer, My God, to —" 111 Cleft 112 Caffeine source 113 Book 114 Crier's ntwk. 115 Weed killer 116 A spermoid 119 Amour-propre

Both his parents were painters. Davis, from his childhood, was immersed in art. His father was the art editor of the Philadelphia Press. That young Davis was a prodigy was clear to both his parents. After just one year of high school, he enrolled in Robert Healy's art school in Greenwich Village at age 16.

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Now an End to the War?

Cyrus Vance, the United Nations' peace-maker in Yugoslavia, reports progress toward a cease-fire—the first hopeful word from that unhappy country in many months. He is very sparing with the details, since the negotiations are still under way, but the rough outline of at least a temporary settlement is becoming visible. Two crucial changes in the combatants' previous positions seem to account for Mr. Vance's carefully restrained optimism. The talks have moved away from the attempts to establish a line with Croatian forces on one side and the Serbs, including the Yugoslav army, on the other. The past several months have demonstrated that it is impossible to draw any line through the region that would not incite further violence. European recognition of Croatia means that even an interim line would probably become the permanent international boundary, making the issue more inflammatory than ever. Instead the two sides have apparently accepted the concept of identifying disputed areas from which—the second key change—both sides are to withdraw their forces altogether. When and if both Croats and Serbs have pulled back from these zones and a cease-fire is demonstrably holding, the United Nations will put in peacekeeping forces, most of them lightly armed troops from other countries to act as observers and police. Mr. Vance has made clear from the beginning that the United Nations will not try to use peacekeepers to separate armed forces that want to keep the war going. The past cease-fires have broken down quickly because the politicians do not have reliable control over their military forces. And even the military commanders have trouble enforcing orders. There are a lot of armed men on both sides, obsessed with past grievances and fears of worse to come, who are operating as irregulars under nobody's discipline. The great question now is whether they can be persuaded, not by the United Nations but by their own leaders, to cool it and give the negotiators a truce in which to work toward a more permanent peace. The alternative is more deaths, more shelling of ancient towns and more of the hardships of war. No one really knows how many people have already died, but the number is many thousands. Hundreds of thousands are now refugees. The economy is in paralysis, and many years of hard work have been sacrificed to ethnic passions. Mr. Vance's mission and the United Nations are now Yugoslavia's best chance to find an end to it. This latest proposal may well stop the war. If not, it is essential that Mr. Vance keep trying. —THE WASHINGTON POST.

Algeria Chooses Islam

Algeria's struggle to rid itself of French colonialism in the 1950s inspired colonized people around the world. Last week Algeria set a different kind of example, successfully completing the first round of the most democratic elections ever held in North Africa. The key question, for Algeria's secularist minority and for its neighbors, is whether the victorious Islamic Salvation Front will respect the pluralism that permitted its victory. On Thursday more than 100,000 worried opponents of the Salvation Front marched in Algiers, calling by some to thwart the election's verdict inside a desecrated mosque. Second-round voting on Jan. 16 offers a democratic opportunity to dilute the front's legislative power. Like the triumph of the National Liberation Front three decades ago, the impending victory of the Salvation Front offers hope—and danger. Widespread refusal with the Liberation Front's high-handed rule fueled this second Algerian revolution. Algerians can hope that the new victors will avoid similar arrogance and self-righteousness. The Salvation Front preaches fundamentalism, which has prospered across the Arab world as secular nationalists like Saddam Hussein and Yasser Arafat have faltered. The front advocates establishment of an Islamic state. But how, exactly, will that be translated into Algerian reality? Promotion of Islamic law is one thing, its forcible imposition on nonbelievers another. Salvation Front leaders have urged all women except widows and divorced mothers to abandon the workplace for home. Will they now impose this precept even on those who strongly disagree? Such intolerance could bring mass emigration, or repression. It is likely that many Algerians will now see their personal liberties circumscribed. Yet it is premature to predict a replay of the barbarities perpetrated by Iran's fundamentalist mullahs, like the torture and execution of opponents and the "fatwa" urging assassins to stalk and murder Salman Rushdie for the crime of writing a novel. The duty of Western democracies is to treat Algeria's democratically elected Islamic government on the basis of its performance in office, not the deeds of fundamentalists elsewhere. May Algeria's victors prove wise, merciful and just. —THE NEW YORK TIMES.

Salvadorans Agree at Last

After 11 years, El Salvador's government and guerrilla armies have at last agreed to end a war that neither can win in exchange for a peace from which both can gain. The government won a chance to turn its energies from killing to development, along with good prospects for foreign aid in reconstruction. The guerrillas won an official commitment to economic, social and political reforms, along with an opportunity for their fighters to return, safely, to normal pursuits. El Salvador's people are also big winners. They will no longer have to endure a conflict that has killed 75,000 people and uprooted a million. The peace agreement was brokered early on Wednesday by departing UN Secretary-General Javier Pérez de Cuellar, with help from Mexico and the United States. It was a signal accomplishment for United Nations mediation. The Bush administration, for its part, can claim credit for its abandonment of ideological Reagan administration crusades in Central America, which did little to encourage compromise. The goal-wild of outsiders would not have meant much without correspondingly constructive changes from the main combatants. Today's world is full of conflicts, from Afghanistan to Yugoslavia, that resist international efforts at settlement. El Salvador's war was once in that category, too, but changes since 1989 brought a breakthrough. On the rebel side, the election defeat of the leftist Sandinista regime in neighboring Nicaragua surely played a sobering role. The military impact was slight; Sandinista leaders still run Nicaragua's armed forces. But even Marxist guerrilla leaders, if they were realistic, now had to acknowledge that

Other Comment

Think World Trade in '92

Short-termism is always a hazard in economic policy, but never more than in 1992, when matters of great long-term significance for the world economy will be decided. If governments are reluctant to think about macroeconomic policy in a medium-term context, it is not entirely their fault. Economics has taught them the illusory pleasures of fine-tuning, and has led them to neglect policies better designed to promote long-term growth. Nowhere is this neglect clearer than in the continuing saga of the Uruguay Round of trade talks. Within reach is a package of trade reforms that would raise real incomes everywhere—not least in Eastern Europe and the former Soviet Union, where difficult reforms will prove impossible without rapid integration, through trade, with the West. The gains would not just be for this year or next. Freer trade would spur investment and innovation worldwide. In all likelihood, it would therefore induce a permanent increase in global economic growth. This enormous prize is there for the taking. Yet trade ministers are permitted to squabble on, while presidents and prime ministers tear their hair about the latest batch of statistics. Governments should look at it this way: The Uruguay Round is a vote-winner. A deal, which requires a willingness in Europe and America to compromise on farm protection, would bolster confidence and investment, adding to growth in 1992. If the round is allowed to collapse after all, that further blow to confidence might precipitate the very slump that governments dread. Attention, short-termists: Think trade. —The Economist (London).

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Stop This Assault on People and Old Stone

By Flora Lewis

DUBROVNIK, Yugoslavia — Stones die, too. Besieged Dubrovnik has become a symbol of Europe's glory and of its curse, the devastating hatred that can ruin the best of man's creations. Maybe there will be a cease-fire now and United Nations troops will come to separate the enemies before there are more monumental damage and death. Or maybe not. Despite heavy artillery bombardment, which stopped some three weeks ago but can start again any time, the splendor of this old Adriatic port has not been too severely destroyed as yet. It is repairable but it will take many times longer to restore some semblance of neighborly feeling and common humanity to what was Yugoslavia. We were told not to mention being in Yugoslavia here, the people of Dubrovnik would take offense. A young man guiding visitors pointed to the lovely little wooded island facing the port. "Isn't it beautiful," he said, "it's Croatian." Would he find it less beautiful if it were Serbian? He choked; he could not bring himself to say more than: "But it isn't. It's Croatian." On New Year's Eve, a midnight "Concert for Peace" was organized in the Franciscan church here by Bernard Kouchner, France's extraordinary, energetic secretary of state for humanitarian affairs. (Every country should have one. It makes a difference.) A chamber music orchestra was brought from Toulouse, Barbara Hendricks came to sing Bach and Mozart, and a host of European dignitaries came to bear witness to the need to stop the mindless onslaught on both people and their wondrous stony art. It was a gesture, an appeal, and not an easy one. The city is entirely encircled by forces on surrounding hillsides and can be supplied only when permission is given to let a ship through the Serbian naval blockade. Dr. Kouchner's enterprise was almost doomed when permission was denied and then granted only at the last minute to pass the boat to bring the visitors from Bari, in Italy. His planned program included a Mozart duo with a Croatian bass and a Serbian soprano, who lives in Paris. It was impossible. "You don't invite the enemy in wartime," Croat officials decreed. "These people don't want peace, they want a country," Dr. Kouchner said sadly, but nonetheless he hoped that the display of concern would spark some glimmer of feeling for conciliation. The mayor of Dubrovnik and the president of the Croatian national assembly thanked him, however, for "your contribution to our struggle for justice and liberty," and spoke of peace as "a step to the goal of freedom." "Peace by itself is not enough," the president said. Some 4,000 people—women, children, the ill and elderly—have been evacuated and others have come as refugees from ravaged outlying areas beyond the front. There is scarcely any commerce and of course no tourism, the city's livelihood.

People have dug in for the duration, knowing that their city can be taken at any time but determined to show that they will not abandon it. It is clear that the opposing forces are not going to work things out among themselves as the European Community has been pointlessly urging them to do. The new international idea of a "duty to intervene" is demonstrably essential or the fighting will spread, not only to other parts of Yugoslavia but possibly dragging in Greece, Bulgaria, others, as the old Balkan nightmares recur. It is urgent now to send troops to Bosnia-Herzegovina before the situation reaches the point of no return. They will have to be United Nations troops because Europe has shown itself incapable of doing more than passing resolutions and dispatching dignitaries. Bosnia has formally appealed to the United Nations—by fax. It has no ambassadors. Once the fighting starts in that republic, and it could be soon, it will be too late. Understandingly, countries are reluctant to send their soldiers into a cross fire. They must act now. Dubrovnik recapitulates the story of Europe, its civilization and its barbarity. It is time for the new enlightenment, which has brought some long-hostile nations together, to be delivered here with insistence. Peace is not a spectator sport, it is a responsibility of all who would live by it, as the stones of Dubrovnik begot not only to its residents but to all who cherish the world of art. © Flora Lewis

A Presidential Bush Can Expect Help From Japan

By Lealie H. Gelb

NEW YORK — George Bush says his trip to Japan next week is about "jobs, jobs, jobs." But even to a tin ear that sounds like politics, politics, politics. Which means that President Bush's stay in Japan, with 21 top U.S. corporate executives in tow, could amount to a lot of balance, balance, balance. Why the trouble and bad, because Japanese leaders are eager to help Mr. Bush for many reasons, not the least being their contempt for and fear of Japan-bashing Democrats. Which means the trip could produce gains for American trade and a triumph for the president personally if he would only cool his political posturing and act presidential. That recipe does not require babying Japan. More than most countries, Japan needs a good dose of pressure to open up its economy. Also more than virtually any other nation, Japanese leaders know that well. Typical is what Yukio Sato, the Foreign Ministry's top man on U.S. policy, told The Wall Street Journal: "Some Japanese say, 'If U.S.-Japan relations go sour, we can always go back to Asia.' But there are no Asian countries that would welcome a Japan that left the U.S.-Japan alliance."

Beyond these crucial general concerns for good relations with the United States, Japanese leaders have strong motives for strengthening George Bush's hand in particular. They can't stand the Democrats. Congressional Democrats are earning the dislike by pushing a series of protectionist legislation. This year's entry is a bill that would virtually cut off Japanese car imports and could even curtail sales of Japanese autos made in the United States if Japan's \$42 billion trade surplus with America is not almost wiped out by 1997. Most of the Democratic presidential candidates reinforce this message by hammering away at the loss of American jobs to Japanese imports. It was this job drumbeat that frightened Mr. Bush's political advisers. And it caused them to charge down the wrong path of aping protectionist Democrats. Japanese power brokers also recognized the drumbeat and moved quickly to preempt an embarrassing confrontation during the Bush visit. They lowered interest rates to stimulate their economy with the hopes of

Politics-Minus-Parties Doesn't Work for America

By David S. Broder

WASHINGTON — America is entering the 40th year of an experiment in attempting to govern itself without reliance on political parties. For 25 of the 39 years since 1952, presidents have faced Congresses in which the opposition has controlled at least one house and usually both. After this long effort at politics without parties, it is obvious that the experiment has failed. The result has been an accumulation of unmet public needs, a runaway increase in public debt and staggering public disillusionment with government and politics. The ultimate test of any republican form of government is the accountability of those in office to their constituents. America's government without parties has failed that test. When the financial system collapsed in 1929, the Republicans were voted out of office, losing the White House and Congress. When the savings and loan crisis collapsed in 1988, no one was punished politically, because there was no party to apportion blame between a Republican executive and a Democratic Congress. Debt for those who let the national debt triple in a decade and who even

now fail to formulate a national policy for energy, health or education. Rather, it is a complex social mechanism containing legitimate but conflicting interests which must be melded, shaped and mediated by leaders of free political skill, if the nation is to survive and prosper. The experiment with government without politicians that will be launched by the likely success of the term-limits movement will, I am sure, prove as disillusioning to the public and as damaging to government as the 40-year flirtation with government without parties has been. The next step then will be government by referendum, bypassing and neutering the legislative institutions—with all their protections of minority rights and their elaborate negotiating mechanisms. If you think this exaggerated, let me remind you that in November the state of Washington, which is often a forerunner in political trends, tried to settle two of the most toruous and sensitive questions that any society can face—the origin of life (abortion) and the end of life (assisted death)—by popular vote. When simple majorities can impose their will on divisive questions of that character, the incipient totalitarianism of government by referendum is not just a bad dream, it is a reality. The other way out of the frustration lies in the rediscovery of political parties, starting with voters' recognition that when they refuse to give a president or governor the backing of a legislative majority, they make accountability impossible and virtually guarantee the frustration that comes with political impasse. It will not be easy to persuade people that this is the case. Parties are almost invisible in the public dialogue today, especially on television. On the tube, conflicts are always personal, not institutional—Clarence Thomas versus Anita Hill, not a Republican president against a Democratic Senate. Individualistic office-seekers go on camouflaging their party labels. Federal and state laws impede the parties' operations. In such a time, it behooves the press to draw attention to the parties' role in government, to point out, for example, that the differences among the Democratic presidential candidates are minuscule compared to the gulf that separates all of them from President George Bush on everything from the proper apportionment of taxes to the composition of the Supreme Court. One reason why people do not vote along party lines any longer is that the media on which they depend do not tell them that parties make a difference. But this is not a task for the press alone. The men and women of learning, especially the historians and political scientists, need to be heard on these issues. America's experiment in republican government is faltering today. Quick remedies such as term limits are being successfully hawked to the public. Scholarly detachment, at such a moment, is a crime. Either we begin the rescue of responsible politics and effective government this year or we will hasten their disappearance. The Washington Post.

Divide Their Nutty Numbers in Half

By George F. Will

WASHINGTON — To the untrained eye, it was just another of the numbering numbers by which journalism calls attention to this or that crisis: "Every year, the World Health Organization estimates, 220,000 people die from pesticide poisoning." To the trained eye of Richard McGuire, New York's commissioner of agriculture and markets, that assertion in an upstate newspaper's editorial looked implausible. It was. A call from Mr. McGuire's office to the upstate editor revealed that he had received the editorial from a California syndicate. A call there revealed that the 220,000 number was from information supporting Senator Patrick Leahy's bill to prohibit American companies from exporting pesticides whose use is banned in America. Mr. Leahy, a Vermont Democrat, was concerned about America importing foods containing residues of chemicals banned in the United States. Mr. Leahy's office directed Mr. McGuire to the World Health Organization, which directed him to a WHO report. Mr. McGuire wrote to the author in Switzerland, who wrote back to say that the figure of 220,000 deaths came from another WHO publication. The author had warned readers that "reliable data on pesticide poisonings are not available and the figures given are derived from various estimates." Unfortunately, he said, quoted figures often acquire misplaced momentum because they are short of their tentativeness. Here is what the WHO publication actually said: "Of the more than 220,000 intentional or unintentional deaths from acute (pesticide) poisoning, suicides account for approximately 91 percent, occupational exposure for 6 percent, and other causes, including con-

contamination, for 3 percent." Of the 3 percent (itself a guess), we are left to guess what portion involved food contamination. WHO's basic message was that there were actually 20,000 deaths from unintentional pesticide poisoning in a world population of 5 billion. The numbers floated downstream, from WHO to the senator's office to the editorial writer's office where this was written: "Every year, the World Health Organization estimates, 220,000 people die from pesticide poisoning; 25 million fall victim to injury or illness. There are no reliable numbers on how many of these casualties result from exposure to unlicensed chemicals imported from this country..." But there is no question that the American manufacturers who continue to traffic in these poisons are a significant part of the problem. That is, American traffickers in poisons are unquestionably a significant part of the problem. If there is a significant problem, (U.S. Food and Drug Administration tests on imported foods reveal no significant problem with chemical residues on food imports.) The use of nutty numbers to advance political agendas may result from cynicism or confusions born of carelessness. The result can be foolish public policies, feeding on and fed by the journalism of apocalypse. Twenty years ago, The Public Interest published "The Vitality of Myocardial Infarction" by Hester Sanger, then president of the Hudson Institute. He dissected a then commonly cited number, that New York City's "100,000-plus" heroin addicts were "stealing upward of \$5 billion worth of property a year." The assumptions behind the num-

Hong Kong Needs Help To Survive

By Frank Ching

HONG KONG — The normally tame legislature of this British colony has staged an unprecedented revolt by rejecting an accord reached by Britain and China. The revolt reflects a sense of betrayal felt by Hong Kong residents, who are not being consulted by those deciding their fate. They fear that when China takes over the colony in 1997, the world will consider that what China does there is its internal affair, as in Tibet. They need American support. The revolt took place over the composition of a Court of Final Appeal, a supreme court that would succeed the Privy Council in London. On Dec. 5, the Legislative Council rejected the model for the court that Britain and China had agreed upon. China said that Hong Kong had no right to repudiate the accord. In the Joint Declaration of 1984, under which Britain agreed to return Hong Kong to China, both agreed that the territory would have a Court of Final Appeal. To instill Hong Kong citizens' confidence in the court, an unusual provision was added: Overseas judges from the United States and other countries whose legal systems derive from Britain's would be invited to sit on the court "as required." China now wants to limit the number of overseas judges to one. After protesting, Britain acquiesced. But the legislature balked. This is the first time it has said no to a British government. The act of independence stems from elections in September in which Hong Kong citizens were allowed to vote for some legislators (18 out of 59) for the first time. All the pro-China candidates were defeated. (The other legislators are government appointees and representatives of chambers of commerce and professional groupings such as lawyers.) China's stand represents further tightening of its hold on Hong Kong, with British acquiescence. In September, China won from Britain the right to a say in Hong Kong's economic policies, despite the autonomy promised in 1984. In 1990, Beijing also said it has the right to impose martial law on Hong Kong in 1997. This is not the way it was meant to be. In the Joint Declaration, Britain and China agreed that Hong Kong would be autonomous except for foreign affairs and defense. It would have a democratic legislature to which the Beijing-appointed chief executive would be accountable. But after 1984 Britain backed down; it agreed that only a third of the legislature had to be directly elected in 1997, and that the chief executive could dissolve it if it refused to pass any important bill. Since Britain has lost its political will and the colony's people are allowed no say in their future, the world, particularly America, must stand up for Hong Kong. Otherwise today's freedoms will be lost in five years. Unfortunately, the United States still does not see itself as a key player. Washington is content to let London take the lead despite seven years of British backsliding. This is surprising, because America has far more at stake than Britain, which wants a graceful exit above anything else. In 1980, Britons in Hong Kong outnumbered Americans by more than two to one. Today the number of Americans has doubled to 21,050, while the number of Britons has dropped to 17,650. The United States is Hong Kong's second largest trading partner, after China, while Britain trails behind Japan, South Korea, Taiwan, Singapore, and Germany. Hong Kong is the world's 13th largest market for U.S. goods, with each person in Hong Kong spending an average of \$1,000 a year on U.S. products. American business people outnumber those from any other country. What can the United States do? The Bush administration should support passage of the Hong Kong Policy Act, which has been introduced in the House and Senate, so far it has not taken a stand on the bill. It recognizes the return of Hong Kong to China in 1997 but stands by the main provisions of the Joint Declaration. Enactment would put China on notice that the United States expected it to keep its word on autonomy. The United States should join with other countries to reaffirm the declaration's provisions. China must realize that the world expects it to live up to the agreement. The writer, author of "Ancestors: 900 Years in the Life of a Chinese Family," is preparing a book about Hong Kong. He contributed this column to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Swiss Hospitality

BERNE — A case involving the rights of foreigners in Switzerland is to be heard before the tribunal. On August 8, 1892, five young Americans were waiting for a train to take them to the Oberland when they were arrested and accused of belonging to a gang of pickpockets. Despite their protests, they were conveyed to prison where they were confined for five days. Through the intervention of the United States Minister, they were released with profuse apologies, which they declined to accept. They have entered action against the State of Berne and are claiming damages. It appears they were treated with considerable indignity.

1942: Red Army Gains

MOSCOW — [From our New York edition] The report of Borovkov, an important position for the security of German-held Mordovsk, a key to the formation Bureau's night communication reported the recapture of Borovkov and of Mordovsk, a key to the main Moscow-Smolensk highway. The communication said the Germans had failed to consolidate themselves in new positions and had suffered heavily in losses of men and arms.

1917: Wilson Criticized

PARIS — President Wilson's "ballon d'essai" on peace is behaving more like a boomerang. It has recoiled on Washington with added impetus, and is now a bone of contention in polit-



MARKET DIARY

Mark's Weakness Drives Dollar Up

NEW YORK — The dollar closed mostly higher in U.S. trading Friday, scoring further gains against the Deutsche mark and managing to stabilize against the yen.

Some analysts said the gains were likely to continue next week, possibly as far as 1.57 Deutsche marks.

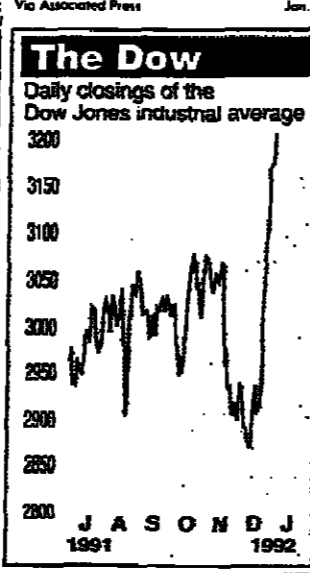
"You're seeing a weak mark," said Sheldon Mallow of Standard Chartered Bank. He said the market also was "anticipating something positive out of the Bush talks in the Far East" to push the yen higher.

The mark has been weakening on fears about instability in Russia and on the belief that a higher yen would be used to cure a huge Japanese trade surplus.

The dollar closed at 1.5430 DM, up from 1.5302 DM, and at 124.65 yen, up from 134.28. The U.S. currency had traded as high as 1.55 DM during the day.

Joe Pruden, economist at MMS International, said now that the dollar had broken above 1.5370 DM, it did not face serious resistance until 1.5700 DM.

But it is particularly difficult to call the dollar's likely moves next week, when institutional trading will be back to normal for the first time since Christmas, analysts said.



The Dow Daily closings of the Dow Jones industrial average

1991 1992

NYSE Most Active

Table with columns: Val., High, Low, Last, Chg. for various NYSE stocks like GM, Ford, etc.

AMEX Most Active

Table with columns: Val., High, Low, Last, Chg. for various AMEX stocks like Amgen, etc.

NYSE Diary

Table with columns: Class, Prev., for various NYSE stocks.

Amex Diary

Table with columns: Class, Prev., for various AMEX stocks.

NASDAQ Diary

Table with columns: Class, Prev., for various NASDAQ stocks.

Dow Jones Averages

Table with columns: Index, High, Low, Last, Chg. for Dow Jones averages.

Standard & Poor's Index

Table with columns: Index, High, Low, Last, Chg. for Standard & Poor's index.

NYSE Index

Table with columns: Index, High, Low, Last, Chg. for NYSE index.

NASDAQ Index

Table with columns: Index, High, Low, Last, Chg. for NASDAQ index.

AMEX Stock Index

Table with columns: Index, High, Low, Last, Chg. for AMEX stock index.

Dow Jones Bond Averages

Table with columns: Index, High, Low, Last, Chg. for Dow Jones bond averages.

Market Sales

Table with columns: Index, High, Low, Last, Chg. for market sales.

N.Y.S.E. Odd-Lot Trading

Table with columns: Index, High, Low, Last, Chg. for N.Y.S.E. odd-lot trading.

S&P 100 Index Options

Table with columns: Index, High, Low, Last, Chg. for S&P 100 index options.

EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close, for European futures.

Food

Table with columns: Class, High, Low, Prev. Close, for food futures.

Metals

Table with columns: Class, High, Low, Prev. Close, for metals futures.

Financial

Table with columns: Class, High, Low, Prev. Close, for financial futures.

Commodity

Table with columns: Class, High, Low, Prev. Close, for commodity futures.

Dividends

Table with columns: Company, Dividend, for various companies.

U.S. FUTURES

Table with columns: Class, High, Low, Prev. Close, for U.S. futures.

Grains

Table with columns: Class, High, Low, Prev. Close, for grain futures.

Metals

Table with columns: Class, High, Low, Prev. Close, for metal futures.

Livestock

Table with columns: Class, High, Low, Prev. Close, for livestock futures.

Food

Table with columns: Class, High, Low, Prev. Close, for food futures.

Financial

Table with columns: Class, High, Low, Prev. Close, for financial futures.

Stock Indexes

Table with columns: Index, High, Low, Prev. Close, for stock indexes.

Commodity Indexes

Table with columns: Index, High, Low, Prev. Close, for commodity indexes.

Market Guide

Table with columns: Index, High, Low, Prev. Close, for market guide.

U.S. AT THE CLOSE

Charge Will Give Weyerhaeuser Loss

SEATTLE (Combined Dispatches) — Weyerhaeuser Co. said Friday that it would take a \$344 million charge against 1991 earnings that would cause the timber company to post its first annual loss since 1931.

The charge will pay to slash operations such as real estate that have been weighing on earnings, allowing the company to concentrate on areas it considers most likely to rebound in a U.S. economic recovery. The charge, which also covers accounting changes, exceeds a restructuring charge of \$260 million in 1989.

The loss of \$172 million for 1991 compares with a year-earlier profit of \$394 million. Wall Street's 1991 estimates for the company prior to the charge averaged about half 1990 levels.

Memorex Creditors Approve Plan

NEW YORK (Combined Dispatches) — Memorex Telex NV, a debt-laden computer company, said Friday that creditors had voted for its prepackaged reorganization plan and it would file the plan soon in court.

Memorex Telex previously announced it had reached an agreement in principle with holders of a majority of its public debt to a restructuring that would include an immediate \$85 million in financing as well as \$67.3 million in working capital after reorganization.

The investor Eli Jacobs, who also controls the Baltimore Orioles baseball team, led a group that bought Memorex from Unisys Corp. for \$322 million in 1986 and then bought Telex Corp. for \$1 billion two years later. The purchases were largely financed through high-yielding bonds, but when the U.S. data-processing market fell off, the company had difficulty paying down its debt.

The company said the restructuring would reduce its debt principal and eliminate its preferred stock redemption and dividend requirements by converting a substantial portion of the debt and all of the preferred stock into new Memorex Telex common equity.

Boom in Stock Funds Gains Pace

WASHINGTON (Bloomberg) — Sales of stock mutual funds already brisk in the first three weeks of December, turned even stronger after the Federal Reserve cut the discount rate on Dec. 20, several fund management companies said Friday.

Fidelity Investments said it had its best December for new stock-fund sales since 1987 and on just one day, Dec. 30, took in \$1 billion in new money, increasing its equity funds under management to \$50.9 billion. Scudder, Stevens & Clark's funds attracted \$170 million in new money in December, \$145 million of it in the last five days of the month. Kemper Financial's equity funds gained \$60 million in the last week of December, after gaining \$120 million in the first three weeks of the month.

Hospital Corp. in \$700 Million Offer

NASHVILLE, Tennessee (AP) — Hospital Corp. of America filed documents Friday that indicated it hoped to raise about \$700 million by selling stock to the public three years after it went private, piling up debt.

HCA will offer 34 million shares of common stock that should sell between \$19 and \$22 a share, the company said in a filing with the Securities and Exchange Commission. At those prices, the sale would generate between \$646 million and \$748 million. Of the 34 million shares, HCA said it would offer 6.8 million shares on international markets.

The company went private in 1989 through a \$3.6 billion management-led buyout that left it with \$6.2 billion in debt. HCA once was the largest operator of hospitals in the world before restructuring and selling off many of its assets. Its debt now stands at \$4.2 billion.

For the Record

AppleTree Markets Inc., a Houston-based grocery chain, filed for bankruptcy court protection in an effort to restructure \$176 million in debt acquired in its 1988 buyout of the local division of Safeway stores.

Long-Term Credit Bank of Japan leads the lender group. Tandy Corp., moving to spur growth in its sluggish Radio Shack division, on Friday abolished its presidency, held by Bernie S. Appel, and named three new executive vice presidents to take charge of the division, which accounts for half of Tandy's \$4.6 billion annual revenue. (UPI)

STOCKS: The Rally Rolls On

(Continued from first finance page) buying was the Nasdaq composite, the Standard & Poor's 500 stock index and the American Stock Exchange composite index all struck record closing highs.

Mr. Metz noted that buying of the rally's laggard stocks was constantly refueling the advance, and among the laggard stocks that drew notable interest Friday were the Big Three automakers.

General Motors Corp. rose 1 1/2 to 32 1/2. Ford Motor Co. climbed 1 1/2 to 30 1/2 and Chrysler Corp. gained 1 1/2 to 13 1/2.

FootHill Group shares were the most actively traded, ending 1/2 high-

er at 5 1/2. Tucson Electric, the Arizona utility that has just reached an agreement with creditors to avoid involuntary bankruptcy, announced it was selling its 38 percent stake in FootHill.

Few analysts were pessimistic about the market's immediate future, but Eugene Peroni Jr., chief technical analyst at Janney Montgomery Scott Inc. in Philadelphia, was cautious.

"It looks like the lion's share of the move is behind us," he said, adding that the market "will undergo a correction, but no serious drop. There will be less willingness to chase strength in the rally, which has gone too far too fast."

(UPI, Reuters, Bloomberg, AP)

SEAMAN: Furniture Maker Latest Casualty of U.S. Retail Weakness

(Continued from first finance page) founded in the midst of the Great Depression, is the second time that a Kohlberg, Kravis takeover has ended in bankruptcy court. Two years ago, Hillborough Holdings Corp., a building-materials company based in Florida, sought bankruptcy-court protection after efforts to renegotiate debts with its creditors failed.

Kohlberg, Kravis said in a statement that it fully supported Seaman's effort to survive and that the company "has an excellent man-

agement team and a unique consumer franchise."

Factory Orders Up

Orders to U.S. factories rose a modest 0.6 percent in November after a bigger advance in October, the government said Friday. The Associated Press reported from Washington.

They were the first back-to-back gains since April and May of 1991, but they failed to get demand back to where it was earlier in the summer, the Commerce Department said.

WORLD STOCK MARKETS

Large table containing world stock market data for various countries including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Sao Paulo, Singapore, Toronto, Zurich, and others. Includes columns for Class, Prev., and various market indices.

Market Closed

The stock market in Tokyo was closed Friday for a holiday.

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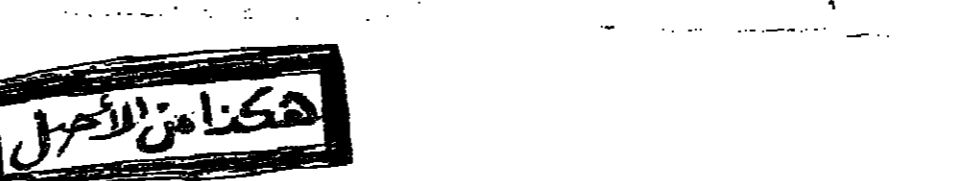
Market Closed

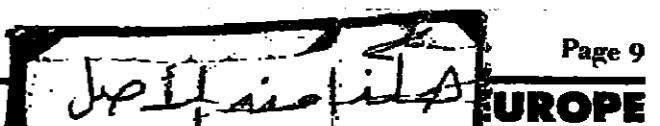
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Advertisement for 'The Money Report' with text: 'For investment information read THE MONEY REPORT every Saturday in the IHT'.





Investor's Europe

| Exchange | Index | Friday Close | Prev. Close | % Change |
|-----------------------|--------------------|--------------|-------------|----------|
| Frankfurt DAX | 1700 | 1650 | 1650 | +0.00 |
| London FTSE 100 Index | 2700 | 2600 | 2600 | +0.00 |
| Paris CAC 40 | 1800 | 1700 | 1700 | +0.00 |
| Amsterdam | CBS Trend | N.A. | N.A. | +0.04 |
| Brussels | Stock Index | 5,527.49 | 5,525.05 | +0.04 |
| Frankfurt | DAX | 1,603.62 | 1,601.88 | +0.11 |
| Frankfurt | FAZ | 653.18 | 651.92 | +0.19 |
| Helsinki | HEX | 782.10 | 779.70 | +0.31 |
| London | Financial Times 30 | 1,901.40 | 1,886.00 | +0.82 |
| London | FTSE 100 | 2,504.10 | 2,492.80 | +0.45 |
| Madrid | General Index | 243.65 | 238.93 | +1.98 |
| Milan | MIB | 1,003.00 | 981.00 | +2.24 |
| Paris | CAC 40 | 1,770.30 | 1,749.91 | +1.17 |
| Stockholm | Aftersvariden | 865.30 | 857.61 | +0.90 |
| Vienna | Stock Index | 428.80 | 416.70 | +0.96 |
| Zurich | SBS | 605.40 | 595.00 | +1.75 |

Sources: Reuters, AFP. Internal Herald Tribune

Very briefly:

- Poland's budget deficit for the first quarter of 1992 is forecast at \$1.6 billion and inflation at 14 to 15 percent in estimates submitted to the legislature, against \$2.7 billion and 60 to 70 percent for all of 1991.
- Italy's inflation rate averaged 6.4 percent in 1991, up from 6.1 percent in 1990 and well above the government forecast of 6.2 percent.
- SunParks International, a Belgian leisure company, has an option to buy land for a holiday village near Lockerbie, Scotland, scene of the air disaster, and plans to invest 3.5 billion francs (\$110 million).
- Sweden's krona will probably become a member of the European Monetary System between 1994 and 1997, said Thomas Franzen, vice governor of the central bank, adding that for now it is unclear how an association was possible for countries outside the European Community.
- Chase Manhattan Corp. will close its office in Copenhagen in the next few months and handle its Danish corporate finance business from London, taking six of its 15 Copenhagen staff with it to Britain.
- The French automakers association said new car registrations in December were up by 3.2 percent from December 1990, to 166,300, while registrations for the whole of 1991 were 2.03 million, down 12 percent.

Avia, Mercedes Said to Plan Link

AGENCE FRANCE PRESSE
PRAGUE—Avia, the Czechoslovak light-truck maker, is to link up with Mercedes-Benz AG to make light commercial vehicles and trucks under the Mercedes name near Prague, industry sources said Friday. The decision is expected to be approved by the Czechoslovak government. Renault Vehicules Industriels of France, which has long been a partner of Avia, had been in competition for the deal. An agreement in principle is to be signed Monday, and details will follow in the next few weeks, a source close to Avia management said. Mercedes-Benz is expected to acquire 31 percent of a new joint venture, and to have the opportunity to increase this to a majority.

Grand Metropolitan Buys All of Cinzano

Compiled by Our Staff From Dispatches
LONDON—Grand Metropolitan PLC consolidated its position as the world's largest wine and spirits company on Friday by agreeing to buy the rest of the Italian drinks company Cinzano Francesco & Co.
 The purchase price was not disclosed, but industry analysts said the 75 percent stake would probably cost between £50 million (\$93 million) and £100 million.
 The company acquired 25 percent of Cinzano in 1985, and has now agreed to buy the Cinzano Marone family's 50 percent stake and 25 percent shareholding from IFINT SpA, the investment company of Italy's Agnelli family.
 Phillip Morrissey, an analyst at S.G. Warburg Securities, said the deal was part of continuing consolidation in the world drinks industry.
 Grand Met is one of four groups that control 41 of the world's top 100 spirits brands. The company's sales of wine and spirits make it the world leader by volume.
 Cinzano's eponymous vermouth brand sells more than 3.5 million 12-bottle cases a year worldwide, and analysts said this would put it among the world's top 30 wine brands. Cinzano is also a major player in the sparkling-wine industry, especially in South America, an area where Cinzano's presence is particularly strong.
 Cinzano's companies, which cover countries including Argentina, Venezuela and Colombia, will complement International Distillers' existing company in Brazil, Heublein do Brasil.
 Cinzano, based in Turin, had annual trading profit last year of about \$30 million on sales of \$500 million.
 Count Francesco Marone Cinzano, who will remain nonexecutive president of the Italian concern, said in a statement that the acquisition "is aimed at ensuring the growth and development" of the Cinzano brand name.
 Colin Gordon, president of the European division of International Distillers & Vintners, called the acquisition a "natural marriage of two businesses which have worked closely together" over the last six years.
 "This move further strengthens our distribution position in Europe, giving us direct access to the important Italian market," Mr. Gordon added. (Reuters, AP)

Slight Christmas Cheer for U.K. Retailers

Reuters
LONDON—Retailers in Britain say their sales over the crucial pre-Christmas period were slightly better than in 1990, despite the continuing economic recession. But they remain very cautious about prospects for 1992.
 Industry analysts say people may have been enticed to buy only because big discounts, traditional at January sales, were offered this year at the height of the gift-buying season.
 That means profits were sacrificed for revenues, they said.
 "The final outcome was reasonably satisfactory because of a strong finish," said the chief executive of Sears PLC, Michael Pickard. The group runs the Selfridges department store in London and has fashion chains.
 Marks & Spencer PLC, a leading retailer, also said Christmas trade was better than last year. "MAS traded satisfactorily and made an increase over the Christmas trading period, which includes the whole of the month of December," it said.
 But it was downbeat for 1992. "Retailing has come through a difficult period and there are no signs of any change in that pattern," the group said.
 Quentin Price, a retail analyst at the County NatWest brokerage, said most of the stores adopted the strategy of cutting prices over the Christmas period to pull in trade. "Customers had a very strong desire to take advantage of any value offer," he said. "It was a difficult Christmas with revenue growth achieved at the price of margins."
 Stores had to cope with shoppers who were "trading down"—restricting spending due to economic uncertainty and buying long-lasting durable items rather than consumer goods.
 Another analyst said Christmas "was not a total disaster but it remains to be seen how the rest of year is going to shape up."
 Kingfisher PLC, which runs the B&Q do-it-yourself outlets, the electrical-goods chain Comet and the general retailer Woolworths, said Christmas had brought no surprises. "The season was pretty much in line with expectations, which were limited," a spokeswoman said. "We are not pessimistic that things will get worse. We still expect 1992 to be a difficult trading environment."
 Sainsbury Group PLC, which operates British Home Stores and Mothercare, said its October forecast of a 6 percent year-on-year sales growth was on target.
 "Christmas was very satisfactory," said a Sainsbury spokesman. "Sales were ahead of last year consistently throughout the Christmas period."
 Improved BHS sales, partly from opening on Sunday when most of the group's computers did not, provided a fair amount of the Christmas sales boost, he added.

FRONTIER: Japanese Entrepreneurs Take Business to Russian Far East

(Continued from first finance page)
 Japan Sea port of Niigata, is exploring the idea of converting Siberian weapons plants into production sites, turning missile parts into forklifts and spoons.
 Flights between Niigata and Khabarovsk were jammed last year with Japanese businessmen and delegations of provincial trade officials. Once-a-week flights inaugurated by Aeroflot in 1976 were expanded to four flights a week during the peak summer season, including one by Japan Air Lines.
 The key port of Vladivostok, long home to the Soviet navy's Pacific fleet, shed its veil of secrecy and opened to foreigners in October and is scheduled to receive foreign ships shortly after the start of the new year. Japanese tourism developers plan to be there with passengers in tow once the weather clears. A Niigata sweater maker is sending yarn and test patterns to a workshop in the port.
 In macroeconomic terms, this is still a tiny radar blip. Japan's two-way trade with the republics of the former Soviet Union remains a mere 1 percent of its total exports and imports. But chroniclers of micro-trends in the Asia-Pacific region are excited, and they say what is happening here is a textbook example of a dynamic "trade hub" in the making.
 Other countries in the neighborhood of the Japan Sea Basin are in the game as well.
 South Korea has pumped investment into Siberia as part of its *northeast* strategy, which involves outflanking its arch foe, North Korea, by currying favor with Moscow. The Hyundai conglomerate invested in a Siberian logging joint venture in 1990 and is now building a 200-room hotel in Vladivostok, initially to lodge its employees.
 Massive infrastructure development at the mouth of the Tumen River, on the border between China and North Korea, is being studied with multinational cooperation in mind.
 "The Sea of Japan has been a frozen sea," said Subaru Okita, the former foreign minister and adviser to government. "Now the climate is changing."
 A flight aboard Aeroflot's Siberian Express, from Niigata to Khabarovsk, is an odd adventure—not just in terms of pre-perestroika aeronautics. Small businessmen dig their knees through the thin seats into the lower backs of professors returning from conference junkets in Japan. Russians and Japanese trade business cards across the aisle. Even idle chatter has portents.

Wage Cap Dispute Heats Up in Bonn

Compiled by Our Staff From Dispatches
BONN—Criticism of Germany's outspoken economics minister, Jürgen Möllemann, heated up Friday when a close associate of Chancellor Helmut Kohl became the latest to assail the minister's proposal for a legislative cap on civil service pay raises.
 Wolfgang Schäuble, the party whip who is Mr. Kohl's heir apparent, attacked Mr. Möllemann's proposal to pass a law limiting civil servants' wage increases in 1992 to 5 percent.
 Observers of the German political scene said the dispute had become a major one within the governing coalition. It comprises Mr. Kohl's Christian Democratic Union and the Free Democratic Party, of which Mr. Möllemann is a member.
 The focus, however, appears to be as much now on Mr. Möllemann, who has taken a number of controversial positions since assuming office a year ago, as on the pay issue. Both government and opposition consider wage restraint crucial in maintaining German jobs and restraining inflation.
 The idea, Mr. Möllemann has said, is to send a signal to the rest of the public sector as well as private industry. Most unions are seeking Bundesbank is cautioning that smaller raises are necessary if inflation, now over 4 percent, is to be brought under control.
 "I urgently advised Möllemann before Christmas, unfortunately to no avail, to drop this playing with numbers, which only burdens the difficult upcoming wage talks," Mr. Schäuble said in an interview to appear in Saturday's *Süddeutsche Zeitung*.
 While acknowledging that "we have to push for moderate wage settlements in the public sector and in the private economy," Mr. Schäuble said civil servants would not have to make a special sacrifice.
 Rudolf Seiters, who as interior minister is in charge of the civil service and its wage talks, said on Thursday that Mr. Möllemann's remarks were "not appropriate and not helpful." Union leaders have criticized the pay-cap idea as an infringement on collective bargaining.
 Public clashes have become a growing feature of the Bonn political scene since Mr. Möllemann, 46, took over as economics minister. His sights unabashedly set on becoming a key figure in his liberal FDP, he has often been criticized for what is seen as a wild publicity whirl, issuing a constant flow of comment on political events.
 German analysts said that Mr. Möllemann's plan to limit 1992 pay raises could in theory have a positive effect on the economy at a critical time. But the method of making his proposals—in an article he wrote for Thursday's *Hanoversche Nachrichten*—had been unfortunate and gave them little chance of success, they said.
 Hermann Rensberger, chief economist at BHF Bank, said, "What I believe is a genuine effort to keep wage rises down has only succeeded in entrenching people's positions." (AFX, Reuters)

In Portugal, Finantia Wins Fight for Leasing Firm

Reuters
LISBON—Finantia-Sociedade de Investimentos SA has won a six-month takeover battle for Portugal's largest leasing company, Sociedade Financiadora de Locacao SA, buying 76.3 percent of its stock for 10.6 billion escudos (\$79 million), the Lisbon stock exchange said Friday.
 The finance company, which had been battling for control of Sofinloc with Banco Comercial de Macau SA, paid 6,933 escudos per share, compared with the bank's initial offer of 6,000 escudos per share in July.
 It was the first time two large companies had battled on the stock exchange to take over a third, a sign of the increasing sophistication of Portugal's recently liberalized financial markets.
 Leasing is one of the fastest-growing businesses in Portugal and Sofinloc accounted for 17 percent of the market in 1990.
 Finantia already owned 18.3 percent of Sofinloc, so Friday's purchase left only 5.5 percent of the leasing company's shares in the hands of independent investors.

NASDAQ

Friday's Prices
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| Symbol | High | Low | Open | Close | Change | Volume | Div | Yield | PE | High | Low | Open | Close | Change | Volume | Div | Yield | PE |
|--------|--------|--------|--------|--------|--------|--------|-----|-------|----|------|--------|--------|--------|--------|--------|-----|-------|----|
| A | 23 3/4 | 23 1/2 | 23 1/2 | 23 1/2 | 0 | 100 | | 5 | 15 | 25 | 23 1/2 | 23 1/2 | 23 1/2 | 0 | 100 | | 5 | 15 |
| AA | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAA | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAB | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAC | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAD | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAE | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAF | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAG | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAH | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAI | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAJ | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAK | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAL | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAM | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAN | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAO | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAP | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAQ | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAR | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAS | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAT | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAU | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAV | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAW | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAX | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAY | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |
| AAAZ | 17 1/2 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 | 25 | 17 1/2 | 17 1/2 | 17 1/2 | 0 | 100 | | 5 | 15 |

NYSE

Friday's Closing
Tables include the national closing prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

| Symbol | Price | Change |
|--------|---------|--------|
| IBM | 104.125 | +0.125 |
| MSFT | 41.125 | +0.125 |
| ORCL | 29.125 | +0.125 |
| INTL | 11.125 | +0.125 |
| DIS | 31.125 | +0.125 |
| WMT | 35.125 | +0.125 |
| PG | 28.125 | +0.125 |
| CVS | 24.125 | +0.125 |
| MRK | 32.125 | +0.125 |
| ABB | 26.125 | +0.125 |
| AMZN | 18.125 | +0.125 |
| GOOG | 15.125 | +0.125 |
| MS | 22.125 | +0.125 |
| BA | 38.125 | +0.125 |
| GM | 25.125 | +0.125 |
| FF | 20.125 | +0.125 |
| TRV | 17.125 | +0.125 |
| DUK | 23.125 | +0.125 |
| WU | 19.125 | +0.125 |
| MO | 16.125 | +0.125 |
| US | 14.125 | +0.125 |
| AXP | 13.125 | +0.125 |
| WY | 12.125 | +0.125 |
| SPY | 11.125 | +0.125 |
| QCOM | 10.125 | +0.125 |
| YH | 9.125 | +0.125 |
| INTC | 8.125 | +0.125 |
| HPQ | 7.125 | +0.125 |
| AD | 6.125 | +0.125 |
| QV | 5.125 | +0.125 |
| WDC | 4.125 | +0.125 |
| PC | 3.125 | +0.125 |
| DL | 2.125 | +0.125 |
| EA | 1.125 | +0.125 |
| SS | 0.125 | +0.125 |

| Symbol | Price | Change |
|--------|--------|--------|
| AMZN | 18.125 | +0.125 |
| GOOG | 15.125 | +0.125 |
| MS | 22.125 | +0.125 |
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| AD | 6.125 | +0.125 |
| QV | 5.125 | +0.125 |
| WDC | 4.125 | +0.125 |
| PC | 3.125 | +0.125 |
| DL | 2.125 | +0.125 |
| EA | 1.125 | +0.125 |
| SS | 0.125 | +0.125 |

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| WDC | 4.125 | +0.125 |
| PC | 3.125 | +0.125 |
| DL | 2.125 | +0.125 |
| EA | 1.125 | +0.125 |
| SS | 0.125 | +0.125 |

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| PC | 3.125 | +0.125 |
| DL | 2.125 | +0.125 |
| EA | 1.125 | +0.125 |
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| YH | 9.125 | +0.125 |
| INTC | 8.125 | +0.125 |
| HPQ | 7.125 | +0.125 |
| AD | 6.125 | +0.125 |
| QV | 5.125 | +0.125 |
| WDC | 4.125 | +0.125 |
| PC | 3.125 | +0.125 |
| DL | 2.125 | +0.125 |
| EA | 1.125 | +0.125 |
| SS | 0.125 | +0.125 |

| Symbol | Price | Change |
|--------|--------|--------|
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| BA | 38.125 | +0.125 |
| GM | 25.125 | +0.125 |
| FF | 20.125 | +0.125 |
| TRV | 17.125 | +0.125 |
| DUK | 23.125 | +0.125 |
| WU | 19.125 | +0.125 |
| MO | 16.125 | +0.125 |
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| INTC | 8.125 | +0.125 |
| HPQ | 7.125 | +0.125 |
| AD | 6.125 | +0.125 |
| QV | 5.125 | +0.125 |
| WDC | 4.125 | +0.125 |
| PC | 3.125 | +0.125 |
| DL | 2.125 | +0.125 |
| EA | 1.125 | +0.125 |
| SS | 0.125 | +0.125 |

(Continued on next page)

NYSE High-Lows

| Symbol | High | Low |
|--------|---------|---------|
| IBM | 104.125 | 103.125 |
| MSFT | 41.125 | 40.125 |
| ORCL | 29.125 | 28.125 |
| INTL | 11.125 | 10.125 |
| DIS | 31.125 | 30.125 |
| WMT | 35.125 | 34.125 |
| PG | 28.125 | 27.125 |
| CVS | 24.125 | 23.125 |
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| ABB | 26.125 | 25.125 |
| AMZN | 18.125 | 17.125 |
| GOOG | 15.125 | 14.125 |
| MS | 22.125 | 21.125 |
| BA | 38.125 | 37.125 |
| GM | 25.125 | 24.125 |
| FF | 20.125 | 19.125 |
| TRV | 17.125 | 16.125 |
| DUK | 23.125 | 22.125 |
| WU | 19.125 | 18.125 |
| MO | 16.125 | 15.125 |
| US | 14.125 | 13.125 |
| AXP | 13.125 | 12.125 |
| WY | 12.125 | 11.125 |
| SPY | 11.125 | 10.125 |
| QCOM | 10.125 | 9.125 |
| YH | 9.125 | 8.125 |
| INTC | 8.125 | 7.125 |
| HPQ | 7.125 | 6.125 |
| AD | 6.125 | 5.125 |
| QV | 5.125 | 4.125 |
| WDC | 4.125 | 3.125 |
| PC | 3.125 | 2.125 |
| DL | 2.125 | 1.125 |
| EA | 1.125 | 0.125 |
| SS | 0.125 | 0.000 |

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دكان الأبرار

Hong Kong Warns U.S. Against China Tariffs

Compiled by Our Staff From Dispatches HONG KONG — Hong Kong has told the United States it is deeply worried by Washington's plans to impose punitive tariffs on Chinese imports this month if talks on a trade dispute fail.

Mr. Chan said Hong Kong would lose more than 7,000 jobs, while \$200 million would be wiped off its gross domestic product, if Washington put high tariffs on all the items on a list of products it has presented to Beijing.

The U.S. trade representative, Carla A. Hills, has said the list of goods for possible retaliation, worth about \$1.5 billion, would be shortened to lessen the actual effect. In a message to the U.S. consul-general in Hong Kong, Mr. Chan underlined the possible harm to investor confidence in Hong Kong should the tariffs be imposed.

take action against all the products on the list.

Washington has threatened to impose the tariffs unless a dispute over its complaint that Chinese companies breach U.S. companies' copyrights and patents is settled by Jan. 16. The specific effect of any action depended on how many tariffs were imposed, Mr. Chan noted.

Colony's Chinese Chips

HONG KONG — A Chinese state-run electronics company signed a lease Friday to build a microchip factory in Hong Kong worth \$320 million.

The lease will allow Shenzhen Electronics Group and other unidentified investors to finance the semiconductor plant, the largest of any action which the U.S. government may take in the event that a mutually acceptable solution is not reached.

"Our broad estimate," Mr. Chan said, "is that up to 7,200 jobs in Hong Kong and \$200 million of value-added contribution to Hong Kong's GDP could be lost if the U.S. were to

ores, pharmaceuticals, footwear, electronics and watches.

Hong Kong manufacturers have moved much production to southern China in the past decade to take advantage of lower labor costs. They employ an estimated two to three million workers in the region. (Reuters, AP)

Shenzhen to List More Stocks

The Shenzhen Stock Exchange will expand its listings from six companies to 20 in the first quarter of this year, Agency France-Press quoted China's official Xinhua news agency as reporting.

The planned expansion of the exchange, one of two in China, follows its official opening in June 1991.

The agency did not say if any of the new stocks to be listed would be B-class shares sold to foreigners through securities houses in Hong Kong, which borders the Shenzhen Special Economic Zone.

China's other stock exchange, in Shanghai, was also expected to expand its listings from the current eight to meet heavy demand. A chaotic scramble for a new issue in September forced the authorities to introduce a lottery system for stock issuance.

A third Chinese city, Guangzhou, announced last month it had received government permission to set up a stock market.

Foreign Buying Surge Propels Seoul Stocks

SEoul — Foreign investors, allowed into Asia's second-largest stock market Friday for the first time, defied concerns about South Korea's shaky economy and bought heavily, driving the key index up 2 percent.

Overseas buy orders, estimated at anywhere from \$0 billion to 100 billion won (\$66 million to \$132 million) and centered on just a handful of stocks, sent those issues limit-up almost immediately, curbing volume, brokers said.

"I'm obviously pleased there was foreign interest but disappointed it was so hard to get hold of stock," said Philip Smiley, general manager of Jardine Fleming Securities.

The Composite Index, which climbed from the opening bell, gained 14.91 points in the first hour before settling back to end the truncated two-hour session 13.31 up at 624.23.

Foreign investors are allowed to buy up to 10 percent of a company's outstanding shares. The government plans to raise that limit gradually.

The market has suffered from three years of doldrums, with the index falling from 1,007 in April 1989 to 611 at the end of 1991 on economic concerns. Planners expect the economy to remain sluggish this year with high inflation and huge trade deficits. South Korea's 1991 trade deficit reached a record high of \$9.6 billion.

Market analysts predict that in 1992, up to \$2 billion in foreign funds will flow into the \$100 billion market, which is second in size only to Japan's among Asian markets. (Reuters, AP, Bloomberg)

A Record in Hong Kong

As Seoul's stock market surged, shares in Hong Kong hit a record high. Reuters reported. Other Asian markets took their cue from Wall Street and were mainly quiet.

Hong Kong's Hang Seng Index closed at a record high for the fourth straight session on hopes of a half-point cut in the prime rate, but the Hong Kong Association of Banks announced after the market closed that the rate would stay unchanged at 8.5 percent.

The index finished 5.35 points higher at 4,307.13.

Investor's Asia

Table with columns for Exchange Index, Friday Close, and Prev. Close. Rows include Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, Kuala Lumpur Composite, Bangkok SET, Seoul Composite Stock, Taipei Weighted Price, Manila Composite, Jakarta Stock Index, New Zealand NZSE-40, and Bombay National Index.

Sources: Reuters, AFP. (Information on the 4th Edition)

Japan Official Backs Duties to Replace Rice Ban

TOKYO — The foreign minister, Michio Watanabe, has said he supports a system of tariffs to replace Japan's ban on rice imports, according to media reports Friday.

Japan must choose between two options, replacing the ban with a partial opening that would involve quotas or endorsing a proposed "tariffication" system, Mr. Watanabe was quoted as telling supporters in his home prefecture north of Tokyo on Thursday.

Under tariffication, a policy that trading partners are pressing Japan to accept, imports of rice would be allowed but be subject to initially high duties that would be reduced over time.

As recently as last month, Mr. Watanabe told a senior U.S. official that Japan had no plans to open its rice market by introducing the tariff system. He also said Japan planned to reject a proposal to introduce tariffs on farm imports port forth at the Uruguay Round of trade talks under the General Agreement on Tariffs and Trade.

Japan now bans imports of rice for commercial use. The United States and other countries are pressing for a change in that policy, which is expected to be taken up by President George Bush when he visits Japan next week.

The reports said Mr. Watanabe hinted that tariffication would be more advantageous as it would effectively oblige Japan to open up only 5 percent of its rice market to foreign exports, whereas an import quota system would mean a 10 percent opening.

"Japan would be annoyed if the international community should ostracize Japan and begin to discriminate against it" as a result of its long-time refusal to open its rice market, Kyoto News Service quoted Mr. Watanabe as saying.

Japan, the world's largest food importer, maintains the ban on rice imports to safeguard domestic production and ensure stable supplies.

Chung, Head of Hyundai, Retires

SEoul — Chung Ju Yung, founder of the Hyundai conglomerate, announced Friday that he had retired to start "a new venture."

Aides said he would enter politics. The running of South Korea's second-largest conglomerate will be taken over by Mr. Chung's younger brother, Chung Se Yung, who distinguished himself by making Hyundai cars a name brand in the competitive world market.

A company spokesman would not disclose what new venture the 76-year-old Mr. Chung was to embark upon. But the Dong-A Ilbo newspaper said he "will promote rallies to inaugurate" a new political party. Other papers had similar reports. (AP, Reuters)

Very briefly:

- China and Uzbekistan signed an economic cooperation and trade agreement during the visit of China's foreign economic relations and trade minister, Li Langjing, Xinhua reported.
Japan Railways plans to introduce a new high-speed train capable of 350 kilometers (190 miles) per hour, 50 kilometers per hour faster than the French TGV train that holds the speed record, an official said.
Broken Hill Pty., Australia's biggest company, said Indonesia had canceled a \$6.1 million steel contract because of union protests against the army's shooting of civilians in East Timor in November.
Stephen Solars, chairman of the U.S. House of Representatives' Asia-Pacific foreign affairs subcommittee, said in Hanoi that Washington might lift its trade embargo against Vietnam this summer or autumn.
South Korea received \$3.03 billion in construction orders from overseas last year, up 42 percent from the previous year, officials said. (Reuters, AP, AFP)

AMEX Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table of AMEX Friday's Closing stock prices, including columns for High, Low, Stock, Div, Yld, PE, High, Low, P.A. Open.

Table of stock prices, including columns for High, Low, Stock, Div, Yld, PE, High, Low, P.A. Open.

Table of stock prices, including columns for High, Low, Stock, Div, Yld, PE, High, Low, P.A. Open.

Table of stock prices, including columns for High, Low, Stock, Div, Yld, PE, High, Low, P.A. Open.

Table of stock prices, including columns for High, Low, Stock, Div, Yld, PE, High, Low, P.A. Open.

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FIRST COLUMN

Putting a Price on Nothing

WHEN will the ruble hit the bottom? The Russian currency has been in free fall for months. Last April saw the government of what was the Soviet Union effect a massive devaluation, with prices of essential goods tripling overnight.

That catastrophe might have been bearable for the citizenry if goods had suddenly appeared back on store shelves. Unfortunately, they did not do so then, nor does it seem likely they will return swiftly now the state subsidies are gone and prices have shot up again.

There are all sorts of explanations and justifications as to why, but the truth of the matter is that there is still a huge gap between Russia's financial system (banknotes), and its economy (goods and services).

The first devaluation was no more than a token recognition of street level reality. The official exchange rate jumped to 25 units of Russian currency to the dollar, a figure not far from the rate then prevailing on the street. The rate is now more than double that — if you can find anyone willing to exchange dollars for rubles at any price. Reports from Russia indicate that there is such a lack of faith in the ruble that only Western currency, or Western goods used in barter, has certain purchasing power.

There are parallels to be drawn between Russia today and Germany after each of the world wars.

Russia, like Germany in 1918 and 1945, has an economy that is almost completely in ruins. In 1945, cigarettes were used as a kind of currency in Berlin. In Moscow today a pack of Marlboros is far more useful than a fistful of rubles.

Sadder still is the inflationary parallel. The Germany of the Weimar republic witnessed extraordinary inflation, which reduced many bank notes to a lower value than the paper on which they were printed.

Now Russia will undergo an experience that may leave deep scars on the national psyche. Some German analysts argue that Bundesbank policy to this day is affected by memories of hyperinflation.

The bottom will come for the ruble when the currency is cheap enough to reflect some kind of value for the things the economy produces.

Until then, Russian shops will remain empty, and consumers will be left with the philosopher's same sick joke made in this column last April: The difference between yesterday's nothingness and today's nothingness is that today the price of nothing has gone up.

Bonds Bettered Stocks in '91 as Global Recovery Failed to Materialize

By John J. Duffy

FOR most of the world's major financial markets, 1991 was the year of the economic recovery that never arrived.

Equity markets in New York, Tokyo and most of the European financial centers all began the year with a bang, rallying sharply on hopes that a rapid end to the Gulf war meant a quick return to economic growth in the United States and other industrial countries.

But as the global economic recovery began to appear more and more distant, such hopes crumbled. The result was that equity prices in many major markets around the world also began to crumble in the latter half of the year. But shares spiked up sharply again at the end of the year as first the U.S. and then Japan pushed interest rates lower in a determined move toward recovery. Shares in New York and London closed the year at record highs, despite a stream of poor figures from both economies.

Bond markets thrive on poor economic news, and caught fire in late 1991, helped by the aggressive push for lower interest rates by a number of countries' central banks.

"The dominant theme in 1991 was the expiration of hope," in a quick economic rebound, said Guy Rigden, director of investment strategy at UBS/Phillips & Drew in London. "The rally in many equity markets in the first quarter was based purely on hopes that were never ultimately fulfilled," he said.

Mr. Rigden noted that in some markets, such as the United States, disappointment on the economic front was offset by the dramatic fall in interest rates. In other markets such as Japan, a slowing economy left equity prices with slight losses for the year.

The U.S. market was one of the few major markets around the world where gains in equities outpaced those in bonds this year.

The U.S. equity market gained more than 20 percent in 1991, while the U.S. bond market produced a total return of over 14 percent.

Geoffrey Dennis, international economist at James Capel & Co. in New York, said the U.S. stock market proved more resilient than other markets around the world because, compared with extremely low U.S. interest rates, returns on U.S. equities remain attractive.

In contrast, Mr. Dennis said, European equity markets had to compete this year

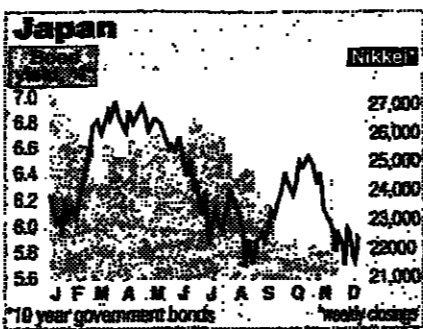
against extremely high real estate interest rates available on short-term fixed-income investments.

"The reason some European markets did so poorly is because of a gray building in Frankfurt known as the Bundesbank," said Mr. Dennis.

Because of inflation pressures triggered by German unification, the German central bank maintained a very tight monetary policy throughout the year. This forced other European countries to sustain high rates in order to keep their currencies in proper alignment.

"European economies had to put up with an unprecedented level of real interest rates" in 1991, Mr. Dennis said.

He noted that France, for example, ended the year with an inflation rate of 2.6 percent



and short-term interest rates of 9.6 percent. Thus, real interest rates in France, at extremely high levels of 7 percent or more, provided very tough competition for the stock market, he said.

With the U.S. discount rate at 9.5 percent, its lowest level since 1964, real short-term interest rates in the United States are effectively near zero. The diminishing yields have prompted a continued flow of funds out of short-term fixed interest investments and into equities this year.

The money flow has allowed the U.S. equity market to maintain a price/earnings ratio of more than 20 times next year's earnings, while many European equity markets are struggling to maintain P/E ratios of 10 to 15 times earnings, Mr. Dennis said.

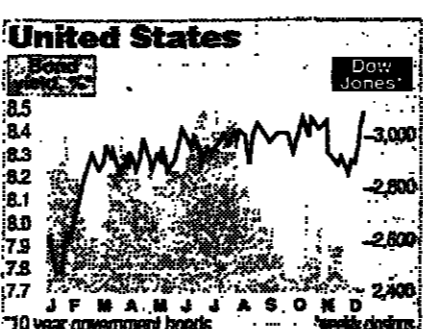
According to the Morgan Stanley Capital International indexes, ratios in European equity markets ranged from 6.4 percent in Germany to 5.5 percent in Italy. The returns are in local currency terms.

The European equity market returns compared with the 20 percent gain in U.S. equities prices this year and a decline of more than 3.6 percent on the Tokyo stock market, despite the late fall in rates.

Mr. Dennis of James Capel said the poor performance of the Japanese market reflected both lackluster performance of the Japanese economy this year and the Bank of Japan's effort to eliminate the credit excess of the late 1980s.

One effect of this effort has been a lack of liquidity and low trading volumes on the Tokyo bourse, Mr. Dennis said.

The best performing of all equity markets this year were the major Latin American debtor countries, a number of which re-



gained access to the international capital markets after more than a decade of on-again, off-again economic reforms.

The perception that the reform efforts of the major Latin economies are now on the right track was reflected this year in rising secondary market prices for Third World country loans and in huge gains on local bourses.

According to Morgan Stanley, the Brazilian market was the biggest gainer this year, up 1,056 percent in local currency terms. Following Brazil was Argentina, up 667 percent; Mexico, up 114 percent; Chile, 111 percent and the Philippines, up 70 percent.

While the uncertain economic outlook made for extremely spotty returns on equity markets this year, it made for powerful rallies in many of the world's major bond markets.

According to J.P. Morgan & Co.'s Government Bond Index Monitor, bonds outperformed equities in all of the Group of Seven industrial countries this year, with the exception of the United States. And total returns were well above 10 percent in each of the 12 bond markets tracked by Morgan indexes.

"Nineteen-ninety-one was an excellent

year for bond investors around the world, mitigated to some extent in Europe by the Bundesbank's tight monetary policy," said Kevin Murphy, associate in Morgan's index group.

The world's best performing bond markets in 1991 were Australia and Canada, where continued recession brought each country's traditionally high interest rates down.

The Australian bond market produced a total return — interest income plus capital gains — of 25.8 percent, the best performance by a national bond market since Morgan began compiling its indexes in the mid-1980s. The Canadian market trailed just slightly with a total return this year of 19.75 percent.

The high-yielding European bond markets also performed strongly during the year with Britain both up by 17.1 percent, followed by Italy with a rise of 16.5 percent.

The Deutsche mark-bloc countries also performed well, due largely to high coupon yields rather than capital gains.

The German bond market produced a total return of 11.4 percent and Belgian government issues gained 12.7 percent during the year.



French government bonds also performed strongly as the interest rate differential between 10-year French and German government issues narrowed to about 50 basis points from nearly double that a year ago.

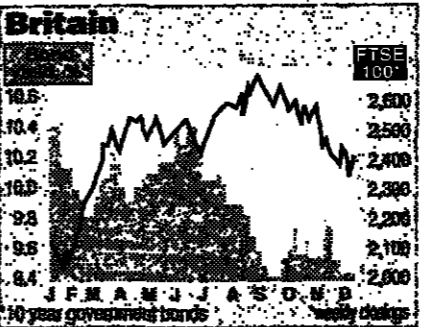
According to the Morgan indexes, the French government bond market produced a total return this year of 14.5 percent.

For dollar-based investors, the U.S. currency ended this year stronger against most European currencies but weaker against the Japanese yen. That reduced the total returns for dollar investors in European markets but boosted gains substantially in Japan.

The U.S. currency began the year at 1.48 Deutsche marks and 134 yen, climbed to a peak of 183 marks and 189 yen in early July, and then slumped to roughly 1.52 marks and 125.2 yen at yearend.

The Japanese bond market produced a total return of 12.2 percent local currency but when the yen's appreciation against the dollar is added in, the total return climbs to 19.1 percent.

In the German market, however, the slight depreciation of the mark against the dollar lowered the total return for dollar investors in German bonds to about 6 percent from about 11 percent.



Titian's 'Venus and Adonis' fetched the highest price in '91, \$13.5 million, for a painting.

A Critique of Coverage on Calling a Few Shots

By Martin Baker

READERS of the Money Report will know that the section offers coverage of investable share, bond, property and security markets worldwide. The section also provides a guide to the investment media available: If, for example, you like South American debt, what is the most convenient way to invest? Should you buy a mutual fund, or use a specialist broker?

The Money Report offers a critique of contemporary analytical thought on these topics, rather than making outright investment calls. The section attempts to extend to readers the common courtesy of allowing them to make up their own minds.

Nevertheless, it could be argued that reporting a view gives it extra importance. Readers are entitled to ask whether this physician is capable of healing itself.

What follows is the Money Report's critique of its own coverage in 1991. Some of the calls were wrong. Fortunately, more were right.

- January 5-6, 1991 "... in 1991 it will be the world's equity markets that will be gathering strength for a rebound, meaning that stocks rather than bonds will yield the biggest payoff to investors savvy enough to sense the turn from slump to recovery."
- "The current recession... should end in June, and the Dow average... could rise to 3,185 during the year, some 21 percent above its closing level of 2,633 on Dec. 31..." said Elaine Garzarelli, analyst with Shearson Lehman Hutton.
- January 26-27 "Defense Stocks Rebound as Weapons Star in Gulf War."
- February 16-17 "After six years of being over-sold, the dollar is about to enjoy a long period of being overbought."
- March 9-10 "Junk Bonds Rally as Low Costs Diminish Risk." Market strategists were "predicting a period of lucrative advances for these high-paying but shaky IOUs."
- "Some market observers say that the risk of junk bonds has diminished with lower prices... According to junk enthusiasts, companies or those interested in acquiring them, can save money by offering attractive stock swaps or cash offers."
- March 16-17 "Experts say the price decline [in New York real estate prices] has stopped, but that the market is not likely to improve any time soon."
- "I don't think we will see any improvement over next few months because we have a 40 percent oversupply," said Barbara Corcoran, a property firm president. "Because of oversupply... it is and will continue to be a buyer's market."
- "For investors interested in Manhattan apartments, the time to begin the search is now... If we are not at the bottom, we are certainly close to it in Manhattan," said an executive of the Real Estate Research Corp.
- March 30-31 "... most analysts urge caution in the period immediately ahead, with a strong emphasis on reasonably priced [U.S.] company growth stocks. Investors need to be ready to shift in to cyclical when the economy takes a decisive turn upward."
- May 4-5 "When political risks are stripped away, the basic economic outlook for Hong Kong is extremely bright," said Martin Falgout, International Equity Strategist at James Capel & Co., London. "In terms of corporate earnings growth and relative prices, Hong Kong has better prospects than any other Asian market."
- June 15-16 "... most compelling to foreign investors is the opportunity to get in on some extraordinary bargains in Brazilian shares. Even after the market run-up, many top companies are priced on average at just 35 percent of book value."
- "Edmund Games, who runs the New York-listed Brazil Fund, cited, for example, Vale do Rio Doce, the government-run mining company. Its market value is currently under \$2 billion although its assets alone are worth \$10 billion. The company is well managed and most of its sales are exports, paid for in hard currency. Another favorite of foreign investors is Brazil's phone company, Telebras, with a market value of \$1 billion. Selling at only one times earnings, Mr. Games called the shares "grossly mispriced" compared to other phone companies."
- "Long-term, the returns could be handsome indeed, but even the most devoted Brazilian fans warn

- investors to hold on for a bumpy ride."
- July 20-21 "Among emerging world markets, few have performed so consistently and yet been more overlooked by individual investors than the market for high-grade Latin American sovereign debt."
- July 27-28 "Some analysts believe outperformance in the short term is possible [for international drug company stocks]. Although the U.S. seems to be coming out of recession and Britain looks set to follow, many European economies are further behind in the recessionary cycle."
- September 14-15 "... a top pick... is Property Trust of El Paso, which has found a niche in low-income apartment complexes in the Southwest, where the real estate market appears to have bottomed out and to be inching toward recovery."
- September 21-22 "No Sparkle in Diamonds Despite a World of Wild Rumors."
- October 12-13 "Global Bond Markets Are Expected to Retain Their Allure..."
- "Convertible Bonds Take the Edge Off Risk."
- "... French stocks tend to be cheap, in comparison to both French bonds and to other European equities. The price to earnings ratio for French companies... at 12.4, is one of the lowest of the major European markets."
- October 19-20 "U.S. Military Contractors' Stocks on the Defensive..."
- "Despite the general pessimism, a few analysts are still touting certain defense stocks as undervalued and desirable."
- November 9-10 "As their performance this year suggests, health-care funds with significant smaller company exposure will sharply outperform the blue chip funds in a favorable market."
- "But if health-care stocks suddenly fall out of favor, big blue chip companies with predictable earnings such as Merck or Bristol-Myers would be the better performers," analysts said.
- "For investors who want to avoid sector funds altogether and yet want exposure to the booming health-care industry, experts suggest diversified funds that maintain a portion of their assets invested in health-care issues."
- Additional reporting by Pietro Calcaterra; Martin Baker is editor of the Money Report.

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دكان من الأبرار

Investing in Art? 'Buy for Love,' Dealers Say

By Philip Crawford

THE very idea of buying art as an investment prompts many art dealers and scholars to respond with lofty indignation: "Buy it because you feel something for it, because you desire it, because you want to live with it."

But moral terrain notwithstanding, those who know the most about art concede — with cautious reluctance, considering the millions many have made from their own expertise and shrewdness — that there is, of course, money to be made in the art market.

Their consensus on how to succeed, moreover, seems to involve two general principles: first, educating oneself, and second, following a credo that the Wall Street world, ever prone toward emotionally detached analysis, might snigger at: Never buy something that doesn't tug at your own heart.

"The people who fare the best financially in the art market are those who buy out of knowledge, and out of love," says Eugene Thaw, doyen of American private dealers.

So where are the opportunities today? The boom in impressionist markets of the 80s, which culminated in the sale of Vincent van Gogh's haunting "Portrait of Dr. Gachet" to a Japanese group for an astonishing \$82.5 million, is a thing of the past, say market-watchers.

Reasons for the downturn include the current worldwide recession, the consequent credit crunch, and, according to one prominent New York gallery owner, the fact that "the Japanese have stopped buying."

But even investors with relatively small sums to venture — \$10,000 to \$20,000 — can do well, say some experts, if they take the time to learn about what they're buying and don't have unrealistic expectations.

"At any market, at any time, there are things that are out of synch with the rest of the market," said the New York gallery owner Peter Findlay, likening the search for up-and-coming artistic talent to handicapping the growth possibilities of fledgling corporations. "You're always looking for something that could have long-range residual value. And on that end of the market, you have to be willing to take a bit of a crashout, too."

Stressing the necessity to know something about art before entering the market, Mr. Findlay said museums worldwide represent the best resources. "People have no idea how approachable museum curators are," he said. "If you go to one and say I want to collect and invest in art, he'll fall all over you to help, because it's in his best interests to do so. Maybe you'll donate something good to his museum someday." Mr. Findlay added that many genres of contemporary art, as well as prints of older, established painters are often in the price range of the small investor.

The broad middle range of investment opportunity, objects priced up to \$500,000, represent the riskiest area, say art cognoscenti, because you're paying a lot of money for something that, while of obvious quality, is not quite top-of-the-line.

"Prices in that range have dropped substantially over the past 18 months or so," said Julian Agnew, managing director of the 175-year-old London art dealership that bears his family name, "and

there are always opportunities there. But you have to be careful, because you're dealing with things that aren't really rare and that are very subject to fashion."

Individuals or corporations with millions to spend on art, scarce though they may be, are easiest to advise, say dealers, because a fixed and ever-diminishing supply of high-end artworks results in prices holding up amid even severe economic slumps.

"We would simply counsel clients in that spending range to buy the best quality available," said Mr. Agnew. "Fewer and fewer great works go on the open market, and in the long term, prices will always go up."

Despite the general art market downturn since mid-1990, the two premier international art auction houses, Christie's and Sotheby's, don't appear to be hurting. True, sales growth rates for the two combined, which averaged 19 percent from 1972 to 1987, have slowed to about 11 percent per annum since the bursting of the '80s bubble.

But Christie's last month achieved the highest price fetched for a painting in 1991 with the sale of Titian's "Venus and Adonis" for \$13.5 million (\$13.4 million) in London, and Sotheby's recently reported 1991 worldwide sales of \$1.1 billion.

However, investors looking to buy through auctions, where works are indeed available at all price levels, had also better be prepared to cough up at least 10 percent of the hammer (last accepted bid) price, — usually more — to the auction house. This is the art establishment's version of a brokerage fee, or the initial charge mutual fund investors typically pay. Framing, insurance, and maintenance costs also figure in an art investor's overhead.

Buying from private dealers and public galleries is where most people start, however, and the newcomer to the art world can find himself bewildered by advice coming from all directions as to which painting, sculpture, or piece of furniture might appreciate the most in value.

Indeed, it is in light of the fact that no two objects d'art are alike, and that a multitude of variables enter into what a work is worth — some of which are impossible even for professionals to assess — that so many scholars advise against speculative investing.

"I've seen people try to take an interest in the field because it tickled them intellectually," said the art critic and historian Soren Medkian, "and these people were not fools. But they didn't know what they were buying, and ended up making ghastly investments."

Mr. Thaw would appear to concur: "When the market heats up and generates a lot of publicity like it did in the '80s," he said, "there are always people who will jump on what looks like an investment opportunity. I've seen otherwise astute businessmen get caught up in this romantic nonsense. But they generally make mistakes and buy the wrong thing."

But other art experts acknowledge that someone had to buy the first Monet and the first Rembrandt when those artists were young and unknown, and that the world never knows when artistic genius — and financial opportunity — will appear. "If you love art," said another U.K.-based scholar, "there's nothing wrong with thinking of it in monetary terms. I mean, everybody wants to discover the next Picasso before the rest of the world does."

THE MONEY REPORT

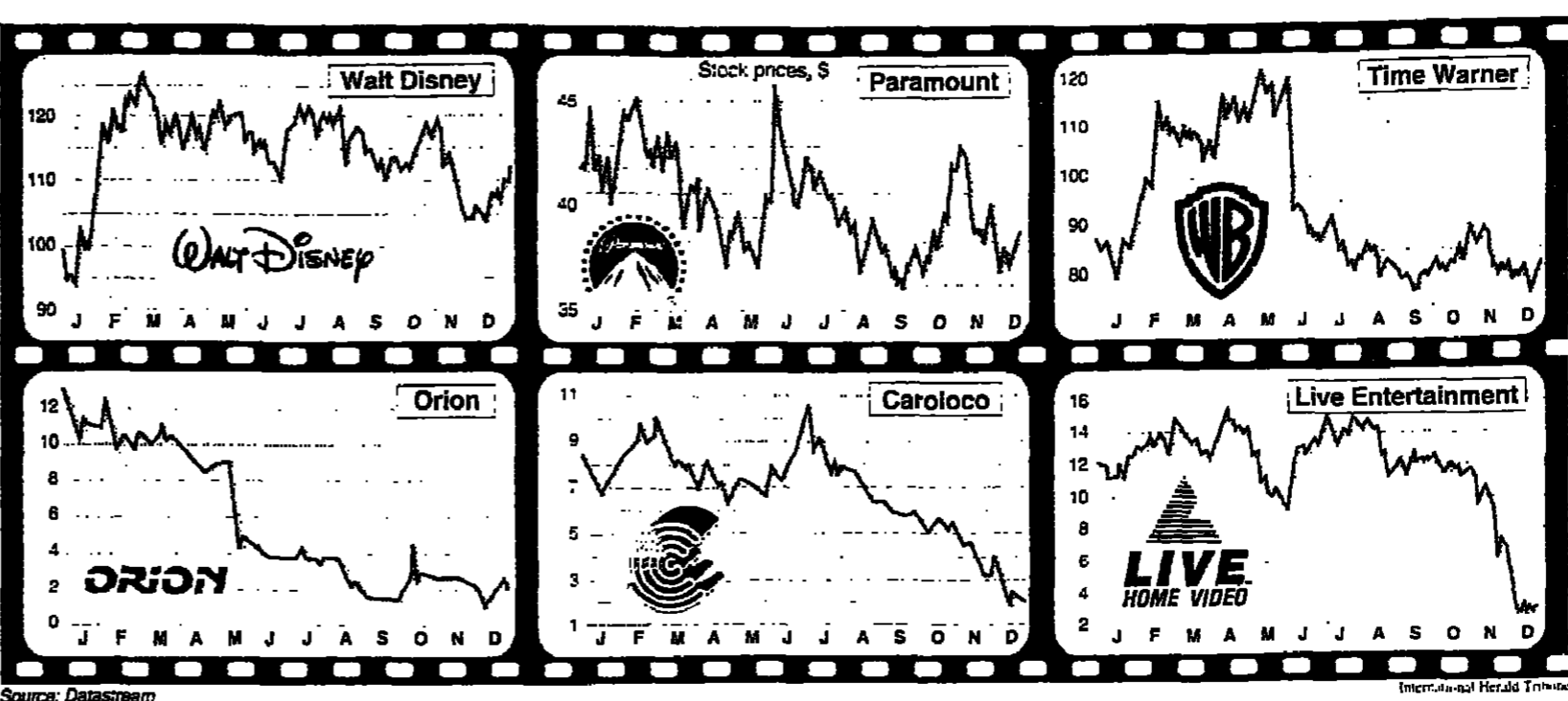
Film Companies in '91 Proved Less Than a Hit With Investors

By Conrad de Aenlle

WILL it be a happy new year in Hollywood? Film and entertainment companies were less than a hit with investors in 1991. Even the best, such as Walt Disney, Paramount and Time Warner, are trading far off their highs. Others, such as Orion Pictures, Carolco and Live Entertainment, are barely above their lows, and some are barely above zero. They may not survive; Orion, in fact, recently filed for bankruptcy reorganization.

floor at 75 cents a share, after trading above \$14 less than a year ago. Carolco, which doled out about \$90 million to make last summer's biggest hit — the aptly named "Terminator 2: Judgment Day" — did not make enough on the film to keep it from seeking an infusion of foreign capital. Without it, said one analyst who insisted on anonymity, the company may go out of business. Carolco's stock is trading near its low for 1991.

The Japanese affection for movie studios comes from their desire to marry their "hardware" — consumer electronics gear, and cable and satellite television systems — to the studios' current and future production and their extensive film libraries — the "software."



Source: Datastream

BRIEFCASE

Finexco International Offers A Five-Fund Pension Plan

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Insurance Industry in U.S. Pays Out \$3.5 Billion for HIV

Basketball star Earvin "Magic" Johnson learned of his positive HIV status through a routine physical performed when he applied for life insurance. But only one test in a thousand, is positive according to the American Council of Life Insurance. A more chilling statistic is the fact that the U.S. insurance industry has already paid out more than \$3.5 billion in benefits related to HIV, according to the council.

Spread in Europe and Asia, Fidelity Advises Investors

"It is at times of economic uncertainty that investors have most to gain by investing in stock markets," said Bruce Russell, Senior Investment Director at fund manager Fidelity International, in that company's year-end market review. Fidelity's preferences for 1992: A spread of shares in Europe (excluding the U.K.) and Southeast Asia.

ADVERTISMENT INTERNATIONAL FUNDS

Table listing various international funds with columns for fund name, currency, and price. Includes sections for International Funds, Other Funds, and a list of fund names.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.

SPORTS

Falcons vs. Redskins Means Blitz vs. Blitz

New York Times Service
FALCONS (11-6) AT REDSKINS (14-2)
Key Stat: The Falcons, after being clubbed, 56-17, in Washington on Nov. 10, have won six of their last seven games.

NFL MATCHUPS

Healthy Redskins team awaits with the big-play passing game intact that burned Atlanta's blitzes. Will the Falcons employ the same all-out blitzing tactics? You bet. Will Washington answer in similar fashion? Of course. The Redskins are favored by 11 points.

OILERS (12-5) AT BRONCOS (12-4)

Key Stat: The Broncos have the American Football Conference's

NFL Playoff Picture

Second-Round Games

AFC

- HOUSTON OILERS (12-5) AT DENVER BRONCOS (12-4): Saturday, Jan. 4, 4 P.M.
KANSAS CITY CHIEFS (11-6) AT BUFFALO BILLS (13-3): Sunday, Jan. 5, 12:30 P.M.

NFC

- ATLANTA FALCONS (11-6) AT WASHINGTON REDSKINS (14-2): Saturday, Jan. 4, 12:30 P.M.
DALLAS COWBOYS (12-5) AT DETROIT LIONS (12-4): Sunday, Jan. 5, 4 P.M.

Conference Titles

Sunday, Jan. 12

Super Bowl XXV

Minneapolis, Jan. 26

These matchups of weekend NFL playoff games were written by Thomas George of The New York Times. Odds were provided by Latest Line.

top-ranked defense, allowing 284 yards and 14.7 points per game; the Oilers gained 327 passing yards and scored the game's first 28 points in 42-14 rout of Denver on Oct. 6.

Comment: Houston's big victory over Denver came at the Astro-dome. This time, playing on the road in the cold at Mile High Stadium will test the Oilers' run-and-shoot offense, which tends to wilt outdoors in harsh elements.

Houston needs strong running from Allen Pinkett and Lorenzo White to complement its pass attack. Look for Denver to throw away from Oilers cornerback Chris Dishman and at backup cornerback Charles Dimry, who likely will see more action than the injured Wymon Henderson. Houston must keep John Elway in the pocket and avoid his scrambling, spontaneous deep throws. Broncos by 3 1/2.

CHIEFS (11-6) AT BILLS (13-3)

Key Stat: In the Chiefs' 33-6 victory over Buffalo on Oct. 7 in Kansas City, Christian Okoye and Harvey Williams both gained 100-plus rushing yards and Buffalo's potent no-huddle offense had the ball for only 15 minutes and 54 seconds.

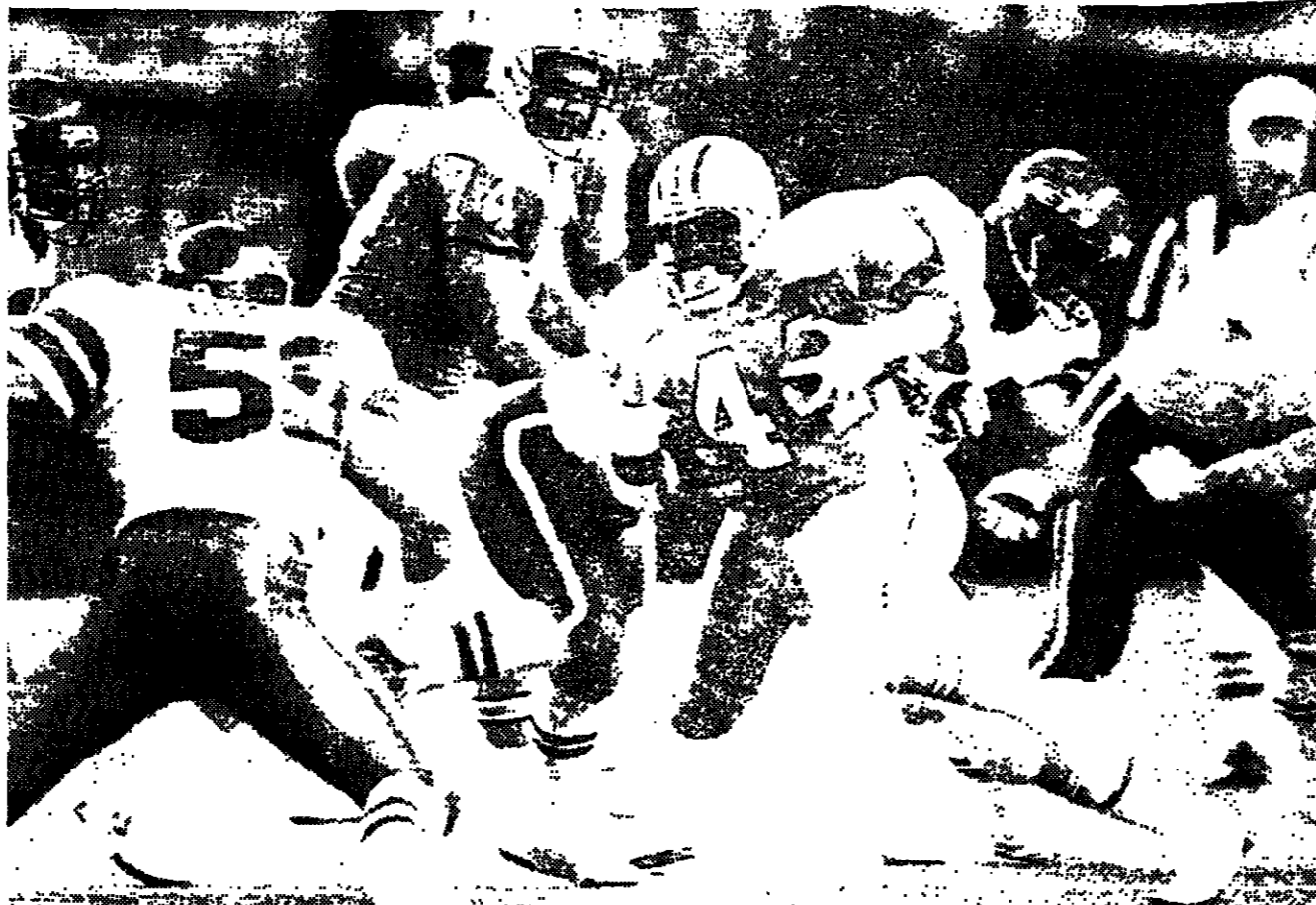
Comment: Kansas City wants to run, run and keep the ball away from Jim Kelly and Thurman Thomas and the Bills' high-scoring machine. Bills by 10.

COWBOYS (12-5) AT LIONS (12-4)

Key Stat: The Lions topped Dallas, 34-10, on Oct. 27 in the Pontiac Silverdome; Dallas is 6-3 in road games, including victories at Washington, Philadelphia and in the playoffs at Chicago.

Comment: Turnovers hurt Dallas in the first matchup between these teams. But the Cowboys are eager for a rematch without having to block the menacing nose tackle Jerry Ball, out with a knee injury. Dallas can be explosive in several ways: Emmitt Smith has a 75-yard scoring run, Kevin Martin an 85-yard punt return for a touchdown and Alexander Wright a 102-yard kickoff return for a touchdown.

Detroit counters with running back Barry Sanders, as elusive as he is fast. Lions by 1.



To beat Denver, the Oilers will need strong running from Lorenzo White, who charged through the Jets in the AFC wild-card game.

Buffalo Is Tops in Wind, Snow and Rowdy Fans

By Mike Freeman

Washington Post Service

ORCHARD PARK, New York — Home-field advantage. In Buffalo, it means Bills fans pelt the opposing teams with snowballs, the way they took aim at Detroit Lions players in the final game of the regular season. It means arctic cold. Snow. Gusting winds and screaming people.

The Kansas City Chiefs (11-6) travel to Rich Stadium on Sunday to try to knock off the defending AFC champion Bills (13-3) at home, something few teams have been able to do in recent years. The Chiefs will be fighting some of the league's more intimidating fans and playing conditions.

The second playoff game on Sunday features Dallas at Detroit.

Kansas City advanced to the second round with a 10-6 victory over the Los Angeles Raiders. It was the first home postseason game for the Chiefs since 1971.

"I'm excited about it," Bills linebacker Ray Bentley said. "This is the rematch we'd hoped for. We wanted to play these guys again in light of our performance in Kansas City."

"The whole team feels that way," said nose tackle Jeff Wright. "We want another shot. And they'll get it. At home. As the Bills are fond of saying, the road to the Super Bowl goes through Buffalo. And a harsh road it is."

"It can be intimidating playing here," said Buffalo running back Thurman Thomas. "I would be a little intimidated if I had to play here."

"We don't want anybody to come in here and think they can beat us at home," said Wright. Of Buffalo's three losses this year, only one was at Rich Stadium, 17-14 to the Lions. Key Buffalo players such as quarterback Jim Kelly and Thomas didn't play that game, since the Bills already had clinched home-field advantage and Coach Marv Levy did not want to risk injuring his stars. Others, such as defensive end Bruce Smith, were played sparingly.

How impressive have the Bills been at home? They are 32-3, including playoff games, at Rich Stadium since 1988. They were 9-0 in 1988 (winning one playoff game), 6-2 in 1989, 10-0 last year (winning two playoff games) and 7-1

this season. Before the Detroit loss the Bills had a 17-game home winning streak, a club record.

Also, Buffalo's fans — who compare to Washington Redskins fans in their zeal for pro football and to New England Patriots fans, who are among the rowdiest in the league — set an NFL single-season attendance record. The \$35.889 fans for eight Bills games broke the league record (622,793) set by the Bills in 1988.

What makes Rich Stadium a difficult place to play — besides the fans — are the conditions. Harsh crosswinds are common, and they play havoc with passing and kicking games. During the Lions game, there were winds of 35 miles per hour (57 kilometers per hour). Lions kicker Eddie Murray missed field goals of 40 and 30 yards. Buffalo kicker Scott Norwood missed two field goals.

"If we're in these conditions and it comes down to the playoffs, we're confident Scott will make" the kicks, said safety Mark Kelso. "It will be a lot tougher on other kickers than it will be on Scott."

And if Bills fans have their way, things could be tougher on all of the Chiefs, not just the kickers.

Pepperdine's Wave Nearly Washes Out 4th-Ranked Kansas

The Associated Press
Instead of riding over the wave, the Kansas Jayhawks nearly got swept under by it.

Fourth-ranked Kansas was taken into overtime Thursday night before it subdued pesky Pepperdine, 79-73. The Jayhawks' 24th straight home victory was a struggle from the outset after they had routed opponents by an average of 29 points in their first eight games.

"That kind of game is going to help our team," said the Jayhawk coach, Roy Williams. "I told the

COLLEGE BASKETBALL

team during the timeout with eight minutes left. It's going to be a lot of fun coming back and winning this thing. We needed this kind of game."

No. 1 Duke 68, Virginia 62: In Charlottesville, Virginia, Bobby Hurley scored 7 of his 11 points in the final 27 seconds. Duke (7-0) had won its previous six games by an average margin of 27.6 points. But the Blue Devils had trouble getting quality shots against the changing defenses of Virginia (4-5).

No. 3 Oklahoma State 85, Midwestern State 45: In Stillwater, Oklahoma, Byron Houston had 27 points and 11 rebounds and Oklahoma State overwhelmed undermanned Midwestern, an NAIA school.

No. 5 Connecticut 85, Miami 62: In Storrs, Connecticut, Connecticut welcomed Miami to the Big East with an overpowering defense. The Huskies (9-0) forced 27 turnovers, including 12 steals. Chris Smith scored 21 points as UConn continued its best start since going 11-0 in 1989. Miami (5-6) has lost five of its last six.

No. 6 Arizona 82, New Orleans 64: In Tucson, the Wildcats broke New Orleans' six-game winning streak with its massive front line controlling matters. Six-foot-10-inch (2.07-meter) Sean Rooks scored 24 points, while 7-footer Ed Stokes had 14 and 6-6 Chris Mills added 11. Arizona's frontcourt also held the Pirates' 6-11 center, Ervin Johnson, to two points on 1-for-7 shooting.

No. 7 Ohio State 73, Penn State 63: In Columbus, Ohio, Jim Jack-

son scored 23 points in the Big eyes' 25th straight home victory. Ohio State (8-1) dropped Penn State, which will join the Big Ten next season, to 8-3.

No. 8 North Carolina 78, Purdue 50: In Chapel Hill, North Carolina, Hubert Davis scored 20 points, including 7-for-9 from the field, including four of five 3-pointers.

Frostburg 77, No. 12 Seton Hall 68: In Pittsburgh, Jerry McCullough had a nice Big East debut with 21 points as Pittsburgh (8-6) surged to a 14-point halftime lead, then held off Seton Hall.

McCullough, a freshman guard, scored 15 points in the second half as Pittsburgh saw its lead trimmed to three points, then recovered with strong free throw shooting.

No. 15 Georgia Tech 82, Richmond 75: In Atlanta, Georgia Tech held Richmond scoreless in two stretches totaling more than 11 minutes and overcame 35 points by Curtis Blair.

No. 16 Arkansas 123, Quincy 69: In Pine Bluff, Arkansas, Todd Day returned from a one-season suspension and scored 26 points in 22 minutes. Day, the Razorbacks' leading scorer last season, sat out the first semester because of a sexual incident in the UA athletic dorm and charges of cheating on a test.

Day made five of nine 3-pointers. He also had six assists, five rebounds, three blocks and three steals.

No. 17 Kentucky 91, Notre Dame 70: In Lexington, Kentucky, Richie Farmer scored a career-high 28 points, 22 in the first half against rusty Notre Dame (1-5), which had not played in 21 days.

No. 18 St. John's 79, Villanova 69: In Villanova, Pennsylvania, Malik Sealy scored 26 points and Jason Buchanan got 15 of his 16 in the second half.

No. 23 Syracuse 100, Boston College 90: In Newton, Massachusetts, freshman Lawrence Moten hit 10 of 12 shots and scored a career-high 26 points for the unbeaten Orangemen.

No. 24 Louisville 60, Houston 56: In Louisville, James Brewer made six free throws in the final 1:22 after getting his first start of the season because of a foot injury to leading scorer Everick Sullivan.

BOOKS

FROM PURITANISM TO POST-MODERNISM: A History of American Literature

By Richard Ruland and Malcolm Bradbury. 435 pages. \$29.95. Viking Inc., 375 Hudson Street, New York, N.Y. 10014.

Reviewed by Christopher Lehmann-Haupt

NEAR the end of this highly informative history of American literature, Richard Ruland and Malcolm Bradbury cite T.S. Eliot's observation made in a review of the Cambridge History of American Literature in 1919: "It is inevitable that any work on American literature should contain a good deal of stuffing. The fault is not in the lack of material so much as in its lack of cohesion."

There is hardly any stuffing in "From Puritanism to Post-Modernism," because not only is there no lack of material, but also as far as Ruland and Bradbury are concerned it all coheres. For Ruland and Bradbury — the former an American who teaches English and American literature at Washington University in St. Louis, the latter an Englishman who teaches American studies at the University of East Anglia — all American writers are characteristically American insofar as to be an American writer has always been to fashion a tradition out of a wilderness.

Of course this is only one of many possible summaries of this book. Other readers may prefer to emphasize the search for a usable past, in Van Wyck Brooks's phrase; or the contest between those who maintained and those who rebelled against "the Genteel Tradition" of American literature, as the largely New England pantheon came to be known in the late 19th century; or the growth of regional writing and its effects on the cosmopolitan center. What is useful about "From Puritanism" is that every writer it treats can be seen as part of some mainstream, tributary or riverhead, all flowing together down to the ocean of post-modern literature.

One difficulty with this compulsive dot-connecting is that it obscures the artists as individuals and their writings as artistic entities. Everyone becomes an influence or a derivation, every work a mere fragment of a pattern.

The book has no source notes, though it is evident enough that such critics as Van Wyck Brooks, Lionel Trilling, Alfred Kazin, Hugh Kenner and Leslie Fiedler, among others, have strongly influenced Ruland and Bradbury. Yet in their zeal to work every critical view in and make every theory fit together they sometimes force their narrative into confusing patterns.

To often they loop back on themselves, as when they quote William Faulkner no less than four separate times on having discovered "my own little postage stamp of native soil" as being "worth

writing about." At other times they jump into an issue at midstream, as when they refer to Henry Miller as "a type of post-Marxist man," without ever mentioning Herbert Marcuse's full name or bothering to explain that he was a Marxist-Freudian philosopher whose works influenced the New Left movement.

One even wonders occasionally if perhaps Ruland and Bradbury wrote separate parts of the book without consulting each other, and then tried to knit these parts together.

Consult it by all means to learn the relation of "The Catcher in the Rye" to "The Adventures of Huckleberry Finn," or to see the relative positions of John Cheever and John Updike in the firmament of New Yorker writers, or to chart the bloodlines running from the confessional Robert Lowell to the confessional Anne Sexton and Sylvia Plath.

But beware the rising din of voices that threatens to drown out the coherence of tradition. By the end of the book this din produces a chaos that resembles the current crisis in academic criticism, where such a profusion of interpretive possibilities exists that the authors are reminded of an earlier age. "A world without absolute, unchallengeable norms, without epistemological certainty," they write, "is a world of ultimate Protestantism: every man becomes his own philosopher, his own arbiter of the true and the real."

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

A TEAM from Kentucky, led by Gary Petersen of Louisville, won the American Bridge League's Fall Team Nationals in Indianapolis, Indiana.

They gained on the diagrammed deal, when Petersen was squeezed but the declarer did not know it. He overcalled one no-trump with two diamonds, and his opponents then landed in three no-trump. North's sequence, a Lebensolz two no-trump bid to force three clubs followed by three no-trump, showed that he lacked a diamond stopper. Most experts favor a direct three no-trump bid with this hand, and use the slower route when holding a stopper.

South held up his diamond ace for one round and then ran his clubs. West did the best he could by throwing one heart and two spades. Since South held the crucial spade nine he was now in a position to take nine tricks, but he misjudged. When he led a spade to dummy's king, and collected West's queen, he finished the spade nine, losing to the jack and failing by two tricks.

South should no doubt have solved the problem. If West had begun with six diamonds and three spades, he would surely have parted with one diamond. But the defense was good. In the replay West gave up a diamond in order to preserve his spade stopper, and South led a heart to establish his ninth trick.

Bridge hand diagram showing North and South hands with suits and cards, and a table of possible bids and results.

PEANUTS



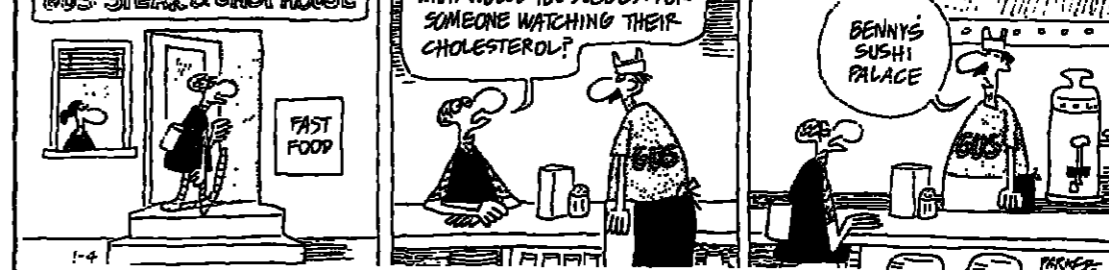
BEEBLE BAILEY



CALVIN AND HOBBS



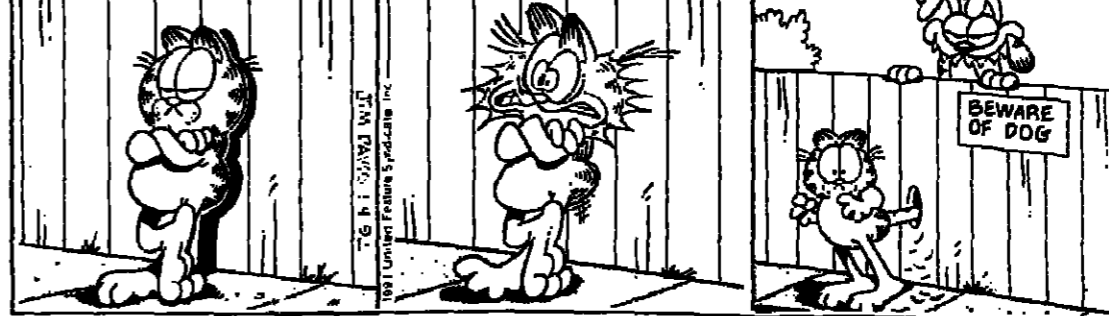
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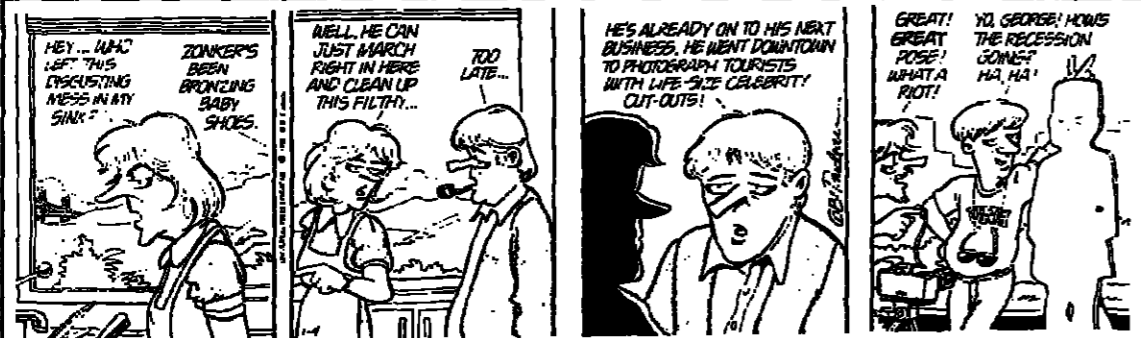
REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE



JUMBLE

Word game section with scrambled words and a grid for solving them.

BLONDIE



SCOREBOARD

SPORTS

For Miami and Washington, an Amicable Split

By Malcolm Moran New York Times Service

MIAMI — So now that college football's coronation committee will have to spring for two crowns, now that Miami and Washington can stay in not-so-neutral corners of the continental United States with 12-0 records, what points are there left to argue? Miami's Hurricanes and Washington's Huskies, after ending perfect seasons with convincing bowl-game victories, sounded satisfied Thursday to share an unofficial but exhausting championship. At the point in the season reserved for embraces and index fingers extended in the air, no one seemed to mind settling for a split.

poll of coaches and in the United Press International Poll. In the coaches' poll, The Huskies' winning margin was 9 points. Five of the 59 coaches, whose ballots are not made public, divided their first-place votes into halves, and one ballot placed Miami third. The final result completed a surge by Washington to the top of the coaches' poll that began in early December. A six-point swing in the Dec. 1 pre-bowl poll placed Washington in a first-place tie with the Hurricanes despite a 27-point Miami victory over San Diego State and an off-week for the Huskies. The unexplainable movement encouraged speculation that the coaches wanted Don James' Huskies to win a first championship more than they wanted to see Dennis Erickson's Hurricanes win another. Washington also placed first in a poll by The Sporting News. Erickson, whose Miami teams claimed two championships in his three seasons here, felt the ballots should be revealed. "I would like to think that in a poll like this that we would all be accountable," Erickson said Thursday. "I'd like to know who voted us third. I wonder what he was drinking last night."

Could it be that a multimillion dollar industry that generates its energy with angry looks, perceived hate and thrown gauntlets has produced a happy ending? The Husky happiness was so overwhelming that as James spoke in Anaheim, California, the tears rolled down his cheeks. "I don't mind sharing it," James said. "I'm emotional now, and it's so difficult to express the feelings I have for the kids. For them, not to get a piece of this would have been a tragedy." The links between personalities might have made the prizes a little easier to share. James and his wife are both Miami graduates. Nearly four decades ago, long before George Mira and Jim Kelly would establish the quarterback tradition that Gino Torretta upheld on Wednesday, James set five Miami passing records. Erickson, when asked about the latest National Football League coaching opening last week, joked about the peaceful life he could have back in Everett, Washington, coaching a high school team, conducting press conferences with an audience of one and relaxing on his father's boat. Erickson's best friend in coaching, Keith Gilbertson, is Washington's offensive coordinator. Nevertheless, Erickson coached at the Huskies' rival, Washington State, and he was a pretty clean game at the White House, in front of the president. Maybe a little seven on seven. "Let's play a little sandlot game in the Rose Garden," Pharms said. "It would be a pretty clean game at the White House, in front of the president. Maybe a little seven on seven." Could the Secret Service agents please keep Millie off the grass?

After the Orange Bowl, Erickson did not go to sleep until learning that the Hurricanes had won The Associated Press poll. "If somebody clear-cut won a national championship, it would have been unfair," Erickson said. "Particularly if it was Washington." He smiled at his joke. For followers who are frustrated at the thought of two more No. 1 jerseys in a White House storage room, there are several suggestions. One comes from Bob Devaney, the Nebraska athletic director and former coach whose 11 seasons included championships in 1970 and 1971. Nebraska, which lost to Washington, 36-21, on Sept. 21, had just been shut out by Miami for the first time in 221 games. "Gentlemen," Devaney said, "I've seen both teams and Washington isn't in the same ball park with Miami." Then there is the diplomatic suggestion of Charles Pharms, a Miami senior defensive back who not so long ago was considered one of the more verbally volatile Hurricanes: Why not invite two sets of guests to the White House? After all, who needs a major-pay-per-view playoff when there's a place available on Pennsylvania Avenue? "Let's play a little sandlot game in the Rose Garden," Pharms said. "It would be a pretty clean game at the White House, in front of the president. Maybe a little seven on seven." Could the Secret Service agents please keep Millie off the grass?

Zen and the Mystery of Picking a College Champ

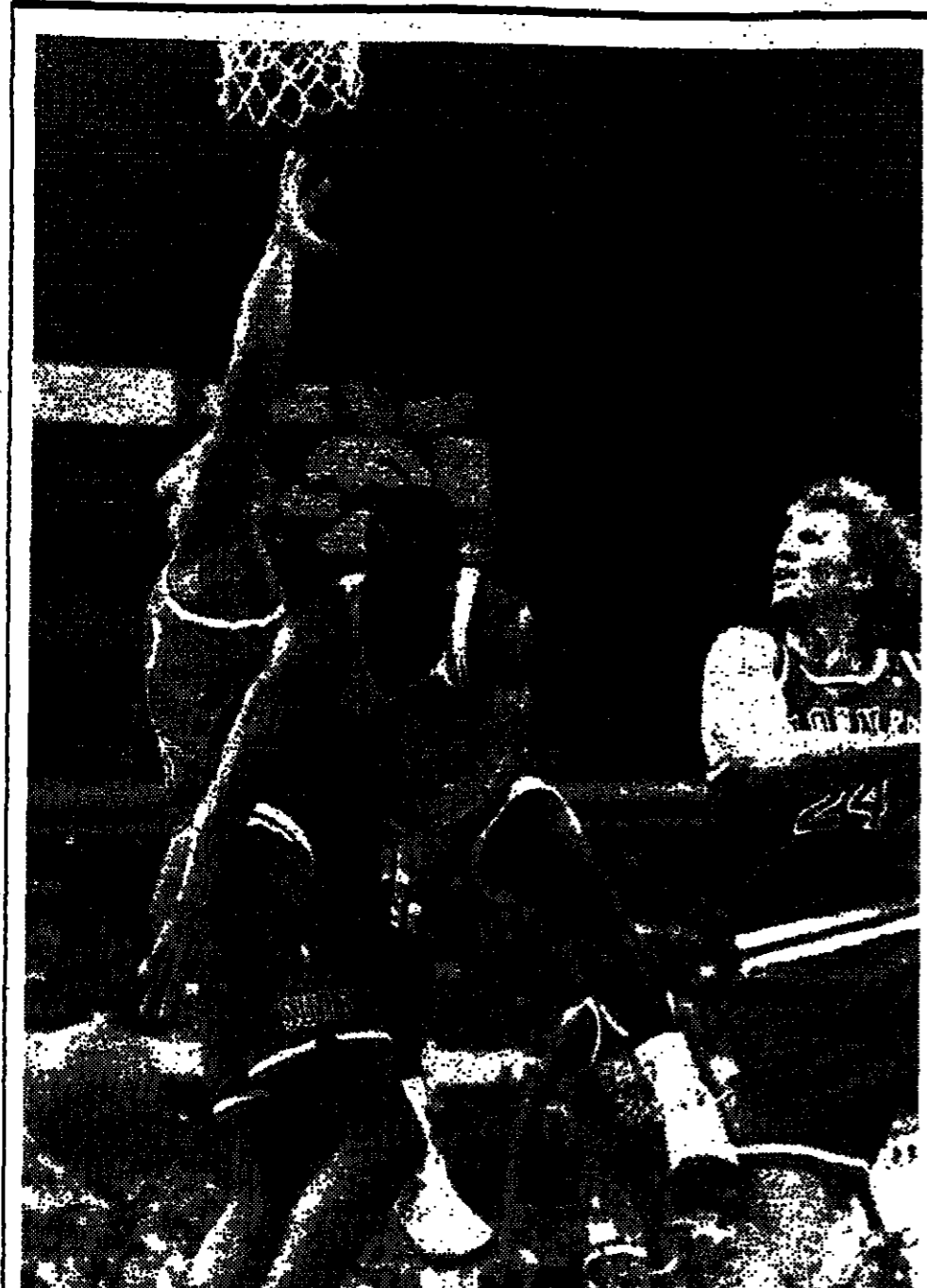
By George Vecsey New York Times Service

MIAMI — Pat Engelbert, who has a 3,587 grade average and something like a size-18 neck, also has a proposal. He is tired of national champions enhancing their reputations by whupping on their team, and he would like them to settle things on their own. Engelbert, the nose tackle for Nebraska, wishes Miami and Washington would just go off somewhere and play a football game. "No fans, no television, no press, just the players," Engelbert said Wednesday. "I would like to see them settle things on their own. Engelbert, the nose tackle for Nebraska, wishes Miami and Washington would just go off somewhere and play a football game. "No fans, no television, no press, just the players," Engelbert said Wednesday. "I would like to see them settle things on their own."

Then there is the old comparative-score method. Nebraska lost to Washington by 15, and to Miami by 22, but Engelbert said frankly he was tired of being a consultant on this issue. "Last year we lost to Colorado and Georgia Tech, and they both were No. 1," Engelbert said, recalling how the multitudinous polls came up with tri-champions, including Miami. "I am just a player," he said. "I would like to see them settle things on their own. Engelbert, the nose tackle for Nebraska, wishes Miami and Washington would just go off somewhere and play a football game. "No fans, no television, no press, just the players," Engelbert said Wednesday. "I would like to see them settle things on their own."

College football is the only sport that does not decide a real champion. This is part of its charm, going back to a simpler era when the nation seemed much bigger, more regional. Larry Jones, the freshman running back who was voted the star of the game. The domination of Nebraska does not mean, however, that Miami should be the single unofficial national champion for 1991. Many voters were splitting hairs. Tom Osborne, the Nebraska coach, said, "I don't divulge who I vote for," but he tipped his hand a little by saying he had been very impressed by Washington's making a comeback at Nebraska, 36-21, this season.

It was impressive to me to hear many of the Nebraska players praising Washington just minutes after they had been totally outplayed by Miami. They were not indulging in sour grapes. In a moment of defeat, they honored another excellent team, the mobile defensive end, and Kevin Williams, the fleet receiver, were both more valuable than Mike Pecko, a linebacker. "But Washington is more powerful." "Washington came to our house and beat us," said Johnny Mitchell, the tight end. The players could not agree whether there should be a playoff system, and neither can the coaches. This year it is obvious that a one-game playoff would decide everything, but other years you could have four or six logical contenders. Let's leave it that way. COLLEGE FOOTBALL IS the only sport that does not decide a real champion. This is part of its charm, going back to a simpler era when the nation seemed much bigger, more regional. Let's leave room for debate. Let's leave room for mystery. There is something very simple, something peaceful, something zen-like, about college co-champions, as far apart as two college teams can be. In Pike Place market in Seattle, let them raise a cup of steaming coffee for Washington. On Calle Ocho in Miami let them raise a cup of cañi con leche for the Hurricanes. Let's link them in our minds, in the season of 1991, when the twin never did meet.



NOWHERE TO GO BUT DOWN — Trapped by Phoenix Suns players Mark West, left, and Tom Chambers, Atlanta's Rumeal Robinson was forced to make a down-and-around pass. But the Hawks' defense clamped down and Dominique Wilkins poured in 39 points as Atlanta won.

SCOREBOARD

NBA Standings

Table with columns for Eastern Conference, Western Conference, and Pacific Division. Lists teams like New York, Boston, Miami, etc., with their records and game results.

Table with columns for Florida, NE Louisiana, Georgia Tech, etc. Lists various college football teams and their records.

Table with columns for Edmonton, Los Angeles, Dallas, etc. Lists NHL teams and their records.

THURSDAY'S RESULTS

Table listing results for Thursday's games in various sports, including basketball and hockey.

WALLES CONFERENCE

Table listing results for the Wales Conference in hockey.

BASEBALL

Table listing results for baseball games.

MAJOR COLLEGE SCORES

Table listing scores for major college sports, including basketball, football, and hockey.

BASEBALL

Table listing results for baseball games.

BASEBALL

Table listing results for baseball games.

TENNIS

Switzerland's Malivo-Fraginieri, 6-4, 6-3, 6-4, defeated Czechoslovakia's Helena Sukova, 6-2, 6-4, in 65 minutes, then Hasek won the men's singles, needing only an hour to defeat Karel Novacek, 6-4, 6-4. The Czechs defeated the Swiss team in the mixed doubles.

CRICKET

West Indies vs. New South Wales Country cricket match. West Indies won by 205 runs.

BASEBALL

DETROIT — Jason Robertson, scouting director, resigned.

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SWISS CAPTURE FIRST HOPMAN CUP

PERTH, Australia (AP) — Switzerland rode victories by Manuela Malivo-Fraginieri and Jakob Hasek to victory over Czechoslovakia and its first title in the Hopman Cup team tennis tournament on Friday.

INDIANS PLAN SUPER BOWL PROTEST

MINNEAPOLIS (AP) — The National Football League has invited representatives of the American Indian Movement to meet about minority affairs, but an AIM leader said Friday that a Super Bowl protest would continue as scheduled.

REDFOX FINALIZE DEAL WITH VIOLA

BOSTON (AP) — Frank Viola's signing with the Boston Red Sox is official.

FOR THE RECORD

The record-breaking Grand National winner Red Run is suffering from a blocked artery and is seriously ill at age 27, his trainer, Ginger McCain, said Friday.

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THE PROUD AND FIGHTING IRISH

Notre Dame Returns to Winning Ways in Sugar Bowl

By Mark Maske Washington Post Service NEW ORLEANS — In the aftermath, Lou Holtz, the Notre Dame coach, talked about making a triumphant return to the local restaurant at which a waiter had told him that the difference between the Irish and Cheerios was that Cheerios belonged in a bowl.

THE PROUD AND FIGHTING IRISH

Notre Dame hasn't been reduced to playing for pride often since Holtz arrived at the school six seasons ago and returned the program to its traditional college football pedestal. Yet some of the most gratifying of victories are born from the most dire of circumstances, and Notre Dame's 39-28 victory over then-No. 3 Florida in the Sugar Bowl on New Year's Day certainly registered high on the satisfaction meter for the Irish.

THE PROUD AND FIGHTING IRISH

"There's never been a game since I've been at Notre Dame where I didn't think we could win," Holtz said Thursday. "As a coach, you always have to think that you can find a way to win, pull one out of the hat somehow. Let's just say that I felt like we were walking a thinner tightrope than usual in this one."

THE PROUD AND FIGHTING IRISH

Indeed, it appeared to be almost microscopically thin coming into the game. Notre Dame's defense had yielded 112 points in its final three regular season games, and Holtz had ranked more than a few of his players since taking over the defensive reins for his just-departed assistant, Gary Darnell. It wasn't exactly a shock that the Ga-tors' quarterback Shane Matthews broke Sugar Bowl records across the board (some of them held by his coach, Steve Spurrier) on Wednesday with his 28-for-58, 370-yard passing performance.

THE PROUD AND FIGHTING IRISH

But Florida's other record-breaking performer was Arden Czymewski, who kicked a Sugar Bowl-best five field goals — a mixed bag for the Ga-tors, since they were scoring by threes instead of by sevens. And when the 58th (and highest-scoring) Sugar Bowl was done, the heroes were Notre Dame's flexible-but-timely defense and Irish fullback Jerome Bettis — whose late-night exploits included three touchdown runs within a three-minute span late in the fourth quarter to cap his team's 32-point second half.

THE PROUD AND FIGHTING IRISH

So Spurrier — whose team fell to No. 7 in the final Associated Press poll, while Notre Dame rose from 18th to No. 13 — was left to lament the Ga-tors' offensive wastefulness, and the pro-Florida crowd went home muttering about the missing crown jewel from what nonetheless remains the school's best-ever foot-

THE PROUD AND FIGHTING IRISH

Notre Dame Returns to Winning Ways in Sugar Bowl

ball season. The Ga-tors' 10 wins still are their all-time best, and they still have their first Southeastern Conference title to savour.

THE PROUD AND FIGHTING IRISH

But they expected to be leaving here with a first Sugar Bowl victory also in hand — and perhaps even a national championship as well.

THE PROUD AND FIGHTING IRISH

"This game will hurt for a long time," Florida tailback Ernie Rhet said. "We made too many mistakes. Notre Dame was better than us, but I don't think they have a better overall team."

THE PROUD AND FIGHTING IRISH

The Irish (10-3), in fact, were in danger of being blown out early. Matthews guided the Ga-tors 85 yards on the opening drive for a touchdown, and Notre Dame's

THE PROUD AND FIGHTING IRISH

"We had something to prove to people," Bettis said. "We didn't want anyone to get the idea that Notre Dame was slipping from the top."

THE PROUD AND FIGHTING IRISH

And in the final stages, it was Bettis — a 5-foot-11 (1.8 meter), 247-pound (112-kilogram) sophomore — who took over, smashing through the middle of a sagging Florida defense for scoring runs of 3, 49 and 39 yards.

THE PROUD AND FIGHTING IRISH

"We ended up being a bend-but-don't-break defense," Holtz said. "That wasn't the plan. We wanted to put more pressure on than we did. But we felt like when we got backed up in there, we could change some coverages and force some field goals."

THE PROUD AND FIGHTING IRISH

"We had something to prove to people," Bettis said. "We didn't want anyone to get the idea that Notre Dame was slipping from the top."

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DAVE BARRY

Sex Maniacs of the Sea

Miami—I had hoped that we could get the new year under way without any reports of ecologically dangerous shellfish attacking women's undergarments...

formed about this story, especially the giant-brassiere angle. Here are the key quotes from the Watertown Daily Times story:

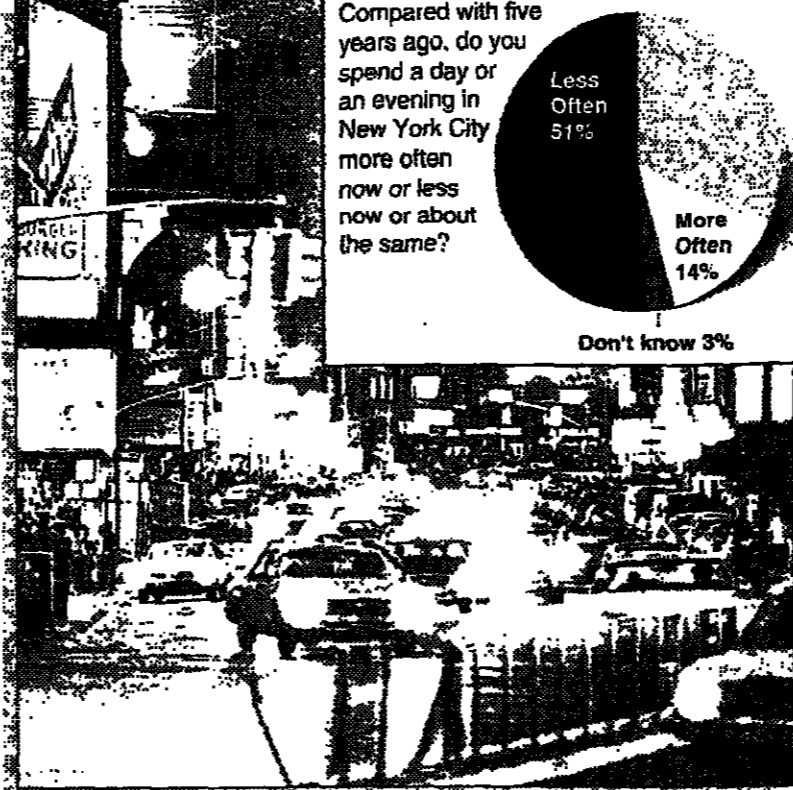
No, seriously, it gets its name from its striped shell, which grows to about an inch long. About five years ago, a group of zebra mussels, possibly carrying forged passports, came from Europe to the Great Lakes in the big water of a European ship...

In an effort to get to the bottom of this, I called the research station and grilled Gerard LeTendre. "It is true," I said, "that you have a large brassiere under observation?"

The Big Apple: Losing Its Bite?

By William Glaberson New York Times Service

NEW YORK — Without quite noticing it, the New York area, home of the ultimate American city, has transformed itself into a sprawling, dispersed region that more than ever resembles Los Angeles...



1978, when only 39 percent gave that answer to the same question. The poll found that 51 percent of those who live outside the city say they spend a day or an evening in New York more often than they did five years ago...

As a young adult, Feinstein, who is 40, worked in the city, too, as his father always had. Then, he said, he and the city changed. He gave up the chance to take over his father's window-cleaning business...

PEOPLE A New Stones Suspicion

Bill Wyman of the Rolling Stones says he believes the death of the former group member Brian Jones in 1969 was caused by epilepsy rather than drugs, as has been speculated...

Crown Prince Frederik of Denmark spent some time in a police station after a woman friend who was driving him home from a holiday party was stopped on suspicion of drunk driving...

At age 78, the Hollywood composer, conductor and arranger Walter Scharf thinks it's time to upgrade his image and purpose. The first to go is the Hollywood part...

In a symbolic blow to what's left of communism, the mayor of Moscow has decided to hand over the building housing a museum dedicated to ideology's founders to a group of Russian aristocrats...



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Vertical text on the right edge of the page, including 'As Party' and other fragments.